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Attorneys for Defendants
Sunrise Restaurants, LLC; W.K.S. Restaurant Corporation;
and W.K.S. Sunrise Holdings, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

VALERIE SANCHEZ, as an aggrieved
employee pursuant to the Private Attorneys
General Act ("PAGA"), on behalf of the State
of California and other non-party Aggrieved
Employees,

Plaintiff,

vs.

SUNRISE RESTAURANTS, LLC, a Nebraska
limited liability company; W.K.S.
RESTAURANT CORPORATION, a California
corporation; W.K.S. SUNRISE HOLDINGS,
LLC, a Delaware limited liability company; and
DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB2213630

ASSIGNED FOR ALL PURPOSES TO:
HON. JOSEPH T. ORTIZ; DEPT. S17

**STIPULATION AND AGREEMENT FOR
PAGA REPRESENTATIVE ACTION
SETTLEMENT**

Date Action Filed: June 29, 2022
Trial Date: Not Set

1 This Stipulation and Agreement for PAGA Representative Action Settlement
2 (“**Stipulation**”) is made and entered into by and between Plaintiff Valerie Sanchez (“**Plaintiff**”), on
3 behalf of herself and as a representative of the State of California and the Aggrieved Employees (as
4 defined in Paragraph 2, below), on the one hand, and Defendant Sunrise Restaurants, LLC
5 (“**Defendant**”), on the other hand (collectively, the “**Parties**”), and is made in compromise of
6 disputed claims. The Parties agree that the above-entitled representative action shall be settled on
7 the terms and conditions set forth in this Stipulation, subject to the approval of the Court pursuant
8 to Section 2699(1) of the California Labor Code Private Attorneys General Act of 2004, Labor Code
9 §§ 2698, *et seq.* (“**PAGA**”).

10 **DEFINITIONS**

11 1. “**Action**” means and refers to *Valerie Sanchez v. Sunrise Restaurants, LLC, et al.*,
12 Case No. CIVSB2213630, which is currently pending in the San Bernardino County Superior Court
13 of the State of California.

14 2. “**Aggrieved Employees**” means all non-exempt employees who worked for
15 Defendant in California and who received at least one wage statement during the PAGA Period.

16 3. The terms “**Agreement**,” “**Settlement**,” and “**Settlement Agreement**” mean this
17 Stipulation and Agreement for PAGA Representative Action Settlement, which the Parties
18 acknowledge sets forth all material terms and conditions of the Settlement between them, and which
19 is subject to Court approval pursuant to Section 2699(1) of the California Labor Code Private
20 Attorneys General Act of 2004, Labor Code §§ 2698, *et seq.*

21 4. “**Court**” means the California Superior Court, County of San Bernardino.

22 5. “**Defendant**” means Sunrise Restaurants, LLC.

23 6. “**Defendant’s Counsel**” means Maria Z. Stearns, Esq., Peter Hering, Esq., and Jonas
24 Trevethan, Esq. of Rutan & Tucker, LLP.

25 7. “**Effective Date**” of this Agreement shall be the later of: (i) the 61st day after service
26 of notice of entry of the Final Order and Judgment, if no appeal, review, or writ has been filed; or
27 (ii) if an appeal, review, or writ is sought from the Final Order and Judgment, the day after the Final
28 Order and Judgment is affirmed or the appeal, review, or writ is dismissed or denied, and the Final

1 Order and Judgment is no longer subject to further judicial review. The Effective Date is
2 conditioned upon all of the following occurring: (a) this Agreement has been signed by the Parties,
3 PAGA Counsel, and Defendant's Counsel; and (b) the Court has entered the Final Order and
4 Judgment.

5 8. **"Enhancement Award"** means the amount the Court authorizes to be paid to
6 Representative Plaintiff, in recognition of her efforts and work in the prosecution of the Action, and
7 for a general release of all claims arising out of her employment with Defendant, up to \$10,000.00.

8 9. **"Final Order and Judgment"** means the proposed order granting approval of the
9 Settlement and entering Judgment, in the form substantially similar to that attached to this
10 Agreement as Exhibit B.

11 10. **"Gross Settlement Amount"** means the maximum total amount of **\$490,000.00** to
12 be paid by Defendant, which includes all payments owing as a result of this Agreement, including
13 the Net Settlement Amount, Settlement Administration Costs, Plaintiff's Enhancement Award, and
14 PAGA Counsel Attorneys' Fees and Costs as awarded by the Court.

15 11. **"LWDA"** means the California Labor Workforce and Development Agency.

16 12. **"LWDA Payment"** means a payment to the LWDA in an amount equal to 75% of
17 the Net Settlement Amount.

18 13. **"Net Settlement Amount"** means the Gross Settlement Amount less (1) PAGA
19 Counsel's Attorneys' Fees and Costs; (2) Plaintiff's Enhancement Award; and (3) Settlement
20 Administration Costs.

21 14. **"Operative Complaint"** means the First Amended Complaint in the Action.

22 15. **"PAGA Aggrieved Employee Payment"** means the amount that is twenty-five
23 percent (25%) of the Net Settlement Amount, which represents the amount of the PAGA penalties
24 to be distributed amongst the Aggrieved Employees pursuant to the PAGA and as further specified
25 in this Agreement.

26 16. **"PAGA Claim"** means the claim for civil penalties under the California Labor Code
27 Private Attorneys General Act of 2004 (Cal. Lab. Code sections 2698 *et seq.*, "PAGA") alleged in
28 the Action and stated in Plaintiff's original PAGA notice letter to the LWDA, dated April 22, 2022,

1 and in Plaintiff's First Amended PAGA notice letter, dated January 14, 2025, true and correct copies
2 of which are attached hereto as Exhibit C.

3 17. **"PAGA Counsel"** means Raul Perez, Bevin Allen Pike, Daniel S. Jonathan, and
4 Trisha K. Monesi of Capstone Law APC.

5 18. **"PAGA Period"** means April 22, 2021, through October 26, 2024.

6 19. **"PAGA Settlement Notice"** means the notice that will be mailed to each Aggrieved
7 Employee by the third-party settlement administrator, in the form substantially similar to that
8 attached to this Agreement as Exhibit A.

9 20. **"Released Claims"** means all PAGA claims that were or could have been alleged
10 against Defendant (and Defendant's affiliated and parent companies W.K.S. Restaurant Corporation
11 and W.K.S. Sunrise Holdings, LLC) based upon the facts and matters identified in Plaintiff's
12 original PAGA Notice dated April 22, 2022, and in Plaintiff's First Amended PAGA Notice, dated
13 January 14, 2025, and the operative Complaint filed in the Action on behalf of the Aggrieved
14 Employees, which arose during the PAGA Period. Without limiting the foregoing, and in addition
15 to the foregoing, the release includes all civil penalties under California Labor Code Section 2699
16 et seq. for alleged: failure to pay all wages, including minimum and overtime wages; failure to
17 provide meal periods; failure to authorize and permit rest breaks; failure to provide accurate itemized
18 wage statements; failure to maintain accurate payroll records; failure to timely pay wages during
19 employment and upon separation; unlawful tipping policy; compelling patronization; failure to
20 provide one day's rest in seven; failure to provide suitable seating; failure to pay reporting time pay;
21 failure to reimburse for all necessary business expenses; failure to provide notice of material terms
22 of employment; failure to provide notice of available paid sick leave; and failure to pay paid sick
23 leave, pursuant to the corresponding applicable sections of the California Labor Code, California
24 Code of Regulations and IWC Wage Orders, including Labor Code §§ 201, 202, 203, 204, 210, 216,
25 225.5, 226, 226.3, 226.7, 245.5, 246, 248.5, 351, 450, 510, 512, 516, 551, 552, 558, 1174, 1174.5,
26 1182.12, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 2699, 2802, 2804, 2810.5.

27 21. **"Released Parties"** means Defendant and its current and former parents,
28 predecessors or successors, holding companies, affiliated or subsidiary companies or entities

(including, but not limited to, W.K.S. Restaurant Corporation and W.K.S. Sunrise Holdings, LLC), owners, investors, shareholders, members, partners, officers, directors, managers, employees, agents, attorneys, insurers, or assigns.

22. **“Representative Plaintiff”** means Plaintiff Valerie Sanchez.

23. **“Settlement Administrator”** shall mean CPT Group, Inc., a neutral third-party administrator chosen by the Parties, subject to approval by the Court.

RECITALS

24. On April 22, 2022, Plaintiff sent a PAGA Notice to the LWDA, with a copy to Defendant.

25. On June 19, 2022, Plaintiff filed the Action in the San Bernardino County Superior, seeking civil penalties and an award of reasonable attorneys’ fees and costs.

26. On September 2, 2022, in light of the existing arbitration agreement, the Parties submitted a joint stipulation to stay the non-individual PAGA claim and order the individual PAGA claim to arbitration.

27. On September 7, 2022, the Court approved the September 2, 2022 joint stipulation and ordered the individual PAGA claim to arbitration. The Court stayed the non-individual PAGA Representative Claim in its entirety pending the completion or arbitration.

28. The Parties have conducted a thorough investigation into the facts of the Action. This included exchanging data and information as well as documents relating to the underlying alleged violations and the Aggrieved Employees. After participating in a mediation with experienced Mediator Marc Feder on August 27, 2024, the Parties accepted a mediator’s proposal on September 10, 2024.

29. On January 14, 2025, Plaintiff sent a First Amended PAGA Notice to the LWDA, with a copy to Defendant.

30. On May 23, 2025, Plaintiff filed a First Amended Complaint, which is the Operative Complaint in the Action.

31. The Parties believe that the Settlement is fair, reasonable, and adequate. The Parties understand, acknowledge, and agree that this Settlement Agreement constitutes a compromise of

1 Representative Plaintiff's and the Aggrieved Employees' PAGA Claims, and that it is the desire and
2 intention of the Parties to effect a final and complete resolution of the PAGA Claim that the
3 Representative Plaintiff and the Aggrieved Employees have against Defendant and the Released
4 Parties.

5 32. The Parties enter into this Settlement Agreement on a conditional basis. In the event
6 the Court does not enter a Final Order and Judgment as defined in this Settlement Agreement, this
7 Settlement Agreement will be deemed null and void *ab initio* and will be of no force or effect
8 whatsoever, and will not be referred to or utilized for any purpose whatsoever.

9 33. Defendant denies all of the claims in the Action, and does not waive, but rather
10 expressly reserves, all rights to challenge all such claims and allegations upon all legal, procedural
11 and factual grounds should this Settlement Agreement not become final. This Settlement
12 Agreement reflects a compromise reached to end litigation.

13 34. The Parties intend to fully cover all liability for PAGA penalties in additional PAGA
14 lawsuits with different plaintiff's firm, including *Luis Ochoa v. Sunrise Restaurants, LLC, et al.*,
15 Los Angeles County Superior Court, Case No. 24STCV17836, through this Agreement.

16 35. The Parties stipulate and agree to the following terms of this Settlement Agreement
17 with the intent that this Agreement finally disposes of the Action with prejudice.

18 **TERMS AND CONDITIONS**

19 36. **Settlement Payments and Calculation of Claims.**

20 a. Subject to Court approval and the conditions specified in this Agreement, and
21 in consideration of the mutual covenants and promises set forth in this Agreement, Defendant agrees
22 to pay the Gross Settlement Amount of **\$490,000.00**. For the avoidance of doubt, Defendant shall
23 not be required to pay any amount over \$490,000.00 for this Settlement, except as otherwise
24 provided by the Settlement Escalator.

25 b. The Gross Settlement Amount includes, but is not limited to, payments to be
26 made to PAGA Counsel's attorneys' fees and costs, the Net Settlement Amount (which includes the
27 PAGA penalties to be paid to the LWDA and the Aggrieved Employees), Plaintiff's Enhancement
28

Award, and Settlement Administration Costs. The following table summarizes the allocation of the Gross Settlement Amount (or “GSA”):

The Gross Settlement Amount of \$490,000.00 Is Broken Down As Follows:

- PAGA Counsel Attorneys’ Fees not to exceed 1/3 of GSA (or \$163,333.33).
- PAGA Counsel Litigation Costs not to exceed \$30,000.00.
- Plaintiff’s Enhancement Award not to exceed \$10,000.00.
- Settlement Administration Costs, not to exceed \$12,000.00.
- The remainder of the GSA (approximately \$274,666.67) is the Net Settlement Amount, which represents the total PAGA Penalty Amount, and shall be allocated as follows:
 - 25% of the Net Settlement Amount for the PAGA Aggrieved Employee Payment (approximately \$68,666.67).
 - 75% of the Net Settlement Amount for the LWDA Payment (approximately \$206,000.00).

37. **Settlement Escalator.** The Settlement is based on the assumption that there were no more than 27,763 pay periods worked by the Aggrieved Employees during the period of April 22, 2021, through August 27, 2024. Should the actual number of pay periods during the PAGA Period exceed 27,763 by more than 10% as of October 26, 2024 (“**PAGA End Date**”), Defendant will have the choice of either: (a) paying a proportional increase in the Gross Settlement Amount for each additional pay period over 10% of 27,763 (30,539); or (b) modifying the end date of the PAGA Period to a date prior to the PAGA End Date, to avoid incurring the pro rata increase. For example, if the total number of pay periods through October 26, 2024, is 30,817 (i.e., 11% higher than 27,763), Defendant would have the following options: (a) increase the Gross Settlement Amount by 1% (\$4,900.00), in which case the PAGA Period would end on, and include, the PAGA End Date; or (b) not increase the Gross Settlement Amount and end the PAGA Period on whatever date will result in Aggrieved Employee pay periods of 30,539 or less. The Parties agree that any increase to the Gross Settlement Amount made pursuant to this provision will increase the applicable attorneys’ fees payable to Plaintiff’s counsel such that the attorneys’ fees remain one third of the adjusted Gross Settlement Amount. The pay period value shall be calculated by dividing the Gross Settlement Amount by 27,763.

38. **Apportionment of Gross Settlement Amount.** The Parties agree, subject to Court approval and the conditions specified in this Agreement, that the Gross Settlement Amount shall be

1 apportioned as follows:

2 a. Settlement Administration Fees and Costs: The fees and costs associated
3 with settlement administration (*e.g.*, preparing and mailing payments to the Aggrieved Employees,
4 tax documentation, etc.) (the “**Settlement Administration Costs**”) will be paid from the Gross
5 Settlement Amount and are estimated to be up to **\$12,000.00**. The Parties agree to use CPT Group
6 Inc. as the Settlement Administrator. To the extent Settlement Administration Costs are not
7 approved by the Court in the amounts set forth above, and the order becomes final, then the non-
8 approved amount will be added to the Net Settlement Amount to be distributed based on the formula
9 set forth in subsection 38.d.

10 b. PAGA Counsel’s Attorneys’ Fees and Costs: The Parties agree that, subject
11 to the Court’s review and approval, PAGA Counsel will be paid from the Gross Settlement Amount
12 an amount that is up to one third (1/3) of the Gross Settlement Amount for attorneys’ fees
13 (**\$163,333.33**), subject to paragraph 37 above. In addition, PAGA Counsel will be paid actual
14 litigation costs in an amount, not to exceed **\$30,000.00**. To the extent attorneys’ fees and costs are
15 not approved by the Court in the amounts set forth above, and the order becomes final, then the non-
16 approved amounts will be added to the Net Settlement Amount to be distributed based on the
17 formula set forth in subsection 38.d.

18 c. Representative Plaintiff Enhancement Award. The Parties agree that, subject
19 to the Court’s review and approval, Representative Plaintiff will receive an enhancement award of
20 **\$10,000.00** for her services in bringing this Action on behalf of the Aggrieved Employees, and for
21 a general release of all claims arising out of her employment, which will be paid from the Gross
22 Settlement Amount. To the extent the Enhancement Award is not approved by the Court in the
23 amount set forth above, and the order becomes final, then the non-approved amount will be added
24 to the Net Settlement Amount to be distributed based on the formula set forth in subsection 38.d.

25 d. Net Settlement Amount: After deducting PAGA Counsel’s Attorneys’ Fees
26 and Costs, Plaintiff’s Enhancement Award, and the Settlement Administration Costs from the Gross
27 Settlement Amount, the remaining amount will comprise the Net Settlement Amount. The Net
28 Settlement Amount represents the total amount allocated towards PAGA penalties under the

Settlement, is comprised of the LWDA Payment and the PAGA Aggrieved Employee Payment. The Net Settlement Amount of approximately **\$274,666.67** shall be allocated 75% to the LWDA Payment, which is estimated to total **\$206,000.00** ($\$274,666.67 \times 75\%$). The remaining 25% of the Net Settlement Amount, estimated to total **\$68,666.67** ($\$274,666.67 \times 25\%$), shall be allocated to the PAGA Aggrieved Employee Payment to be paid to the Aggrieved Employees on a *pro rata* basis as noted below, which shall be referred to as the Aggrieved Employee's "**Individual PAGA Payment.**"

Example:

Aggrieved Employee A was actively employed during the PAGA Period for 30 pay periods. All Aggrieved Employees were actively employed a combined total of 30,000 pay periods during the PAGA Period. Aggrieved Employee A's Individual PAGA Payment would be calculated as follows:

- 30 pay periods for Aggrieved Employee A $\div$ 30,000 total pay periods for all Aggrieved Employees = 0.1%.
- Aggrieved Employee A is entitled to an Individual PAGA Payment in an amount that is 0.1% of the PAGA Aggrieved Employee Payment.¹

e. Taxes and Reporting: The Individual PAGA Payments will be treated as non-wage income to the Aggrieved Employees and reported by the Settlement Administrator on IRS Form 1099.

39. **Release by Aggrieved Employees and the State of California.**

a. Terms of Release. Upon the Funding Date, as defined below, in exchange for the consideration recited in this Settlement Agreement, Representative Plaintiff, as the representative for the State of California and all Aggrieved Employees, and on behalf of her current, former, and future heirs, executors, administrators, attorneys, agents, and assigns will forever completely release and discharge the Released Parties of any and all Released Claims, as defined in Paragraph 19. The Aggrieved Employees and the State of California are deemed by operation of

¹ The Individual PAGA Payment will be rounded to the nearest penny with .5 rounded up.

1 the Final Order and Judgment to have agreed not to sue or otherwise make a claim against any of
2 the Released Parties for any Released Claims during the PAGA Period. The release will not be
3 effective until Defendant has made all payments due under the terms of this Settlement Agreement.

4 b. No Claims Based on Stipulation and Agreement. No Aggrieved Employee
5 will have any claim against any of the Released Parties, Defendant's Counsel, Representative
6 Plaintiff, or PAGA Counsel, based on errors in administering claims or performing the mailing and
7 skip-tracing requirements of the Settlement Administrator under this Agreement.

8 40. **General Release by Representative Plaintiff.**

9 a. Terms of Release. Upon the Funding Date, as defined below, in exchange
10 for the consideration recited in this Settlement Agreement, including the Representative Plaintiff
11 Enhancement Award, Representative Plaintiff, on behalf of herself and on behalf of her current,
12 former, and future heirs, executors, administrators, attorneys, agents, and assigns, does hereby and
13 forever release, waive, acquit and discharge the Released Parties from all claims (known or
14 unknown) which she has, had or might otherwise have had against the Released Parties, from the
15 beginning of time through the date she signs this Agreement, regarding any aspect of her
16 employment including, but not limited to, the Released Claims, any common law or statutory torts
17 (including invasion of privacy), any federal, state or governmental constitution, statute, regulation
18 or ordinance, and any claim for wages, tips or any other compensation or benefit.

19 b. California Civil Code Section 1542. Upon the Funding Date, as defined
20 below, Representative Plaintiff will be deemed to have, and by operation of the Final Order and
21 Judgment will have, expressly waived and relinquished, to the fullest extent permitted by law, the
22 provisions, rights, and benefits of section 1542 of the California Civil Code which provides as
23 follows:

24 **"A general release does not extend to claims that the creditor or releasing party**
25 **does not know or suspect to exist in his or her favor at the time of executing the**
26 **release and that, if known by him or her, would have materially affected his or**
27 **her settlement with the debtor or released party."**

28 a. No Other Actions. Representative Plaintiff will be deemed by operation of
the Final Order and Judgment to have agreed not to sue or otherwise make any claim against any of

1 the Released Parties based upon any action, event, or occurrence prior to the date she signs this
2 Settlement Agreement.

3 41. **Release by PAGA Counsel.** Upon the Funding Date, as defined below, PAGA
4 Counsel release on behalf of their present and former attorneys, employees, agents, successors and
5 assigns the Released Parties from all claims for attorneys' fees and costs incurred in connection with
6 the facts and theories alleged in the Action, the PAGA Notices, and the Released Claims.

7 42. **Request For Final Order and Judgment.**

8 a. Upon execution of this Agreement, Representative Plaintiff shall promptly
9 file a stipulation or unopposed motion with the Court requesting approval of this Settlement by
10 submitting a proposed Final Order and Judgment, in a form substantially similar to the document
11 attached as Exhibit B.

12 b. Representative Plaintiff shall not file the stipulation or unopposed motion
13 requesting final approval or final judgment with the Court until Defendant has reviewed and granted
14 approval, which approval will not be unreasonably withheld.

15 c. On the date Representative Plaintiff files the stipulation or unopposed motion
16 discussed in this Paragraph, Plaintiff will also submit to the LWDA a notice of the Settlement
17 enclosing a copy of the Settlement Agreement. Plaintiff's notice of the Settlement to the LWDA
18 shall comply with the notice requirement of PAGA.

19 43. **Settlement Funding.**

20 a. Upon the Court entering the Final Order and Judgment, and within five (5)
21 business days after the Effective Date, the Settlement Administrator shall send Defendant's Counsel
22 electronic wiring instructions to fund the Gross Settlement Amount.

23 b. Following the Effective Date, Defendant shall wire to the Settlement
24 Administrator the Gross Settlement Amount within fifteen (15) business days after the Effective
25 Date (the "**Funding Date**").

26 c. Within twenty (20) days after the Funding Date, the Settlement Administrator
27 shall issue all payments required by this Agreement (the "**Payment Date**").

28 44. **PAGA List.**

1 Within ten business (10) days after the Effective Date, Defendant will provide a PAGA List
2 to the Settlement Administrator which will identify all Aggrieved Employees by name, social
3 security number, and last known home address (“PAGA List”). The PAGA List will also contain
4 the number of pay periods credited to each Aggrieved Employee based on Defendant’s records.

5 45. **List of Individual Settlement Amounts.**

6 Within ten (10) business days after the Settlement Administrator receives the PAGA List
7 from Defendant, the Settlement Administrator will provide to PAGA Counsel and Defendant’s
8 Counsel a Proceeds List reflecting the Individual PAGA Payment for each Aggrieved Employee
9 (“**Proceeds List**”). The Proceeds List provided to PAGA Counsel will not include the Aggrieved
10 Employees’ names, social security numbers or contact information.

11 46. **PAGA Payments to Aggrieved Employees.**

12 a. On the Payment Date, the Settlement Administrator will mail to each
13 Aggrieved Employee, via first-class United States Mail, the following materials (collectively, the
14 “**PAGA Packet**”): (a) the PAGA Settlement Notice in English and Spanish, substantially in the
15 form attached as Exhibit A to this Agreement and (b) the Aggrieved Employee’s respective
16 Individual PAGA Payment.

17 b. Prior to mailing the PAGA Packet, the Settlement Administrator will update
18 all Aggrieved Employees’ addresses using the National Change of Address System (NCOA). In the
19 event that a PAGA Packet is returned to the Settlement Administrator with a forwarding address,
20 the Settlement Administrator will re-mail the PAGA Packet to the forwarding address identified
21 within five (5) business days of receipt of the returned PAGA Packet. If no forwarding address is
22 provided with a return PAGA Packet, then the Settlement Administrator will promptly conduct a
23 “standard search,” sometimes called, “Skip Trace” or “Credit Header” searches, in an effort to locate
24 a better address for the Aggrieved Employee. If a better address is found, the Settlement
25 Administrator will promptly re-send the PAGA Packet within five (5) business days of receipt of
26 the returned PAGA Packet. If a better address is not found or the PAGA Packet is ultimately
27 returned without a forwarding address, neither the Settlement Administrator, Defendant, or PAGA
28 Counsel shall be required to take further action.

1 c. Aggrieved Employees shall have 180 calendar days after the date the PAGA
2 Packet is mailed to them to cash the checks for their Individual PAGA Payments. If any Aggrieved
3 Employee's check is not cashed within that period, the check will be voided and a stop-payment
4 will be issued. Neither Defendant, Defendant's Counsel, Plaintiff, nor PAGA Counsel will have
5 any liability for lost or stolen settlement payment checks, forged signatures on settlement payment
6 checks, unauthorized negotiation of settlement payment checks or failure to timely cash a settlement
7 payment check within the 180 day period.

8 d. Funds associated with any uncashed Individual PAGA Payment shall be
9 transmitted to CASA of San Bernardino, as cy pres recipient under California Code of Civil
10 Procedure Section 384(b) by the Settlement Administrator within thirty (30) days of the expiration
11 of the 180-day check cashing deadline.

12 47. **Payments of Attorneys' Fees And Costs, and the LWDA Settlement Payment.**

13 a. On the Payment Date, the Settlement Administrator will pay from the Gross
14 Settlement Amount the Representative Plaintiff's Enhancement Award as awarded by the Court.
15 The payment will be made by sending to a check payable to "Valerie Sanchez" to PAGA Counsel
16 in the amount of the Court-approved Enhancement Award. This payment is conditional upon PAGA
17 Counsel providing the Settlement Administrator with a completed Form W-9 for the Representative
18 Plaintiff.

19 b. On the Payment Date, the Settlement Administrator will pay from the Gross
20 Settlement Amount to PAGA Counsel its Court-approved Attorneys' Fees and Costs. Such payment
21 is conditional upon PAGA Counsel providing the Settlement Administrator with a completed Form
22 W-9.

23 c. On the Payment Date, the Settlement Administrator will pay the LWDA
24 Payment from the Net Settlement Amount by issuing a check payable to "California Labor
25 Workforce and Development Agency" in the total amount of seventy-five percent (75%) of the Net
26 Settlement Amount.

27 48. **Deadlines.**

28 If any deadline specified in this Agreement falls on a Saturday, Sunday, or Court holiday,

1 the deadline will be automatically extended to the next regular business day. Unless specified
2 otherwise, all references to “days” shall mean calendar days.

3 49. **Enforcement and Continuing Jurisdiction of the Court.**

4 Pursuant to the Parties’ agreement, this Settlement Agreement will be approved by the Court
5 and will be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6.
6 Even after the entry of the Final Order and Judgment, this Court will have and retain continuing
7 jurisdiction over the Action and over all Parties and the Aggrieved Employees, to the fullest extent
8 necessary or convenient to enforce and effectuate the terms and intent of this Settlement Agreement
9 and all matters provided for in it, and to interpret it.

10 50. **Mutual Full Cooperation.**

11 The Parties will fully cooperate with each other to accomplish the terms of this Settlement
12 Agreement, including, but not limited to, execution of such documents and taking such other action
13 as may be reasonably necessary or convenient to implement it.

14 51. **Non-Admission of Liability.**

15 The Parties enter into this Agreement to resolve the dispute that has arisen between them
16 and to avoid the burden, expense, and risk of continued litigation. In entering into this Agreement,
17 Defendant does not admit, and specifically denies, that it has violated any federal, state, or local
18 law; violated any regulations or guidelines promulgated pursuant to any statute or any other
19 applicable laws, regulations or legal requirements; violated or breached any duty; engaged in any
20 misrepresentation or deception; or engaged in any other unlawful conduct with respect to the Action.
21 Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected
22 with it, shall be construed as an admission or concession by Defendant of any such violations or
23 failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms
24 of this Agreement, this Agreement and its terms and provisions shall not be offered or received as
25 evidence in any action or proceeding to establish any liability or admission on the part of Defendant
26 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
27 federal, state, local or other applicable law.

28 52. **Effective Date of Defendant’s Obligations Under This Agreement.**

1 Defendant's obligations under this Settlement Agreement will become final and effective
2 only upon the occurrence of the Effective Date. In the event that any of the conditions specified in
3 this Settlement Agreement are not satisfied, or in the event that this Settlement does not obtain
4 approval of the Court for any reason, all matters covered by this Agreement will be null and void.
5 In such event, neither this Agreement, nor any negotiations leading to this Settlement, will be used
6 or construed by or against any Party as a determination, admission, or concession of any issue of
7 law or fact in the litigation; and the Parties do not waive, and instead expressly reserve, their
8 respective rights regarding the prosecution and defense of the Action, including all available
9 defenses and affirmative defenses, and to challenge any claim, as if this Settlement Agreement never
10 existed.

11 53. **Nullification.**

12 If: (1) the Court should for any reason fail to enter the Final Order and Judgment; or (2) the
13 Court's Final Order and Judgment is reversed or modified as to any material term as defined above,
14 or declared or rendered void as to any material term as defined above, then (a) the Settlement
15 Agreement shall become null and void; (b) the Parties will revert to their respective positions
16 immediately prior to reaching the settlement; and (c) Defendant will be responsible for any
17 Settlement Administration Costs.

18 54. **Invalidation.**

19 Invalidation of any material term of this Settlement Agreement will invalidate this
20 Agreement in its entirety unless the Parties subsequently agree in writing that the remaining
21 provisions will remain in full force and effect.

22 55. **Confidentiality/No Publicity.**

23 Representative Plaintiff and her counsel agree that the terms of this Settlement Agreement
24 (including, but not limited to, the Gross Settlement Amount), the negotiations leading to the
25 execution of this Settlement Agreement, and the Settlement Agreement itself, shall not be discussed
26 with or publicized or promoted to the media (including, without limitation, legal periodicals and
27 publications such as "Jury Verdicts," disclosure of the Settlement Agreement on any web site of
28 Representative Plaintiff's counsel or any other website, or on any blogs, articles, or on any social

media platforms or channels), or the public at large, without the advance written consent of Defendant. The Parties intend this Paragraph 55 to prohibit Representative Plaintiff and her counsel from discussing, answering questions about, promoting or publicizing the Settlement Agreement, its terms, or the negotiations leading to the Settlement Agreement with anyone other than the Court or those individuals necessary to effectuate the terms of the Agreement. Notwithstanding the foregoing, Representative Plaintiff and her counsel (1) may tell the public in general only that certain claims “have been resolved by the Parties;” and (2) may disclose the terms of the Settlement Agreement (a) in appropriate filings with the Court in this case; (b) where required by law (*e.g.*, income tax returns); and (c) to accountants or other tax professionals for the purpose of preparing tax returns. In addition, PAGA Counsel may respond to questions received from, and discuss any aspect of this Agreement with Aggrieved Employees. Nothing herein shall prevent PAGA Counsel from referring to the Action in filings before any courts relating to the adequacy of counsel, or for purposes of seeking court approval of class/PAGA settlements.

56. **Entire Agreement.**

This Settlement Agreement constitutes the entire integrated agreement between the Parties relating to the Action, and no oral representations, warranties, or inducements have been made to any party concerning this Settlement Agreement other than the representations, warranties, and covenants contained and memorialized in this Settlement Agreement.

57. **Authorization to Act.**

PAGA Counsel warrants and represents that they are authorized by Representative Plaintiff, and counsel of record for Defendant warrants that they are authorized by Defendant, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement, except for any documents, including but not limited to this Settlement Agreement, that are required to be executed by the Parties.

58. **Modification Only In Writing.**

This Settlement Agreement may be amended or modified only by a written instrument signed by all Parties or their successors in interest.

1 59. **Binding On Successors.**

2 This Settlement is binding upon and will inure to the benefit of the Parties to this Agreement,
3 as well as their respective attorneys, past, present, and future predecessors, successors, shareholders,
4 officers, directors, employees, agents, trustees, representatives, administrators, fiduciaries, assigns,
5 insurers, executors, partners, parent corporations, subsidiaries, and related or affiliated entities.

6 60. **No Prior Assignments.**

7 The Aggrieved Employees are deemed by operation of the Final Order and Judgment to
8 represent, covenant, and warrant that they have not directly or indirectly assigned, transferred,
9 encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any
10 liability, claim, demand, cause of action, or rights released and discharged by this Agreement.

11 61. **Governing Law.**

12 All terms of this Settlement Agreement will be governed by and interpreted according to the
13 laws of the State of California, without giving effect to conflicts of laws principles.

14 62. **Counterparts.**

15 This Settlement Agreement may be executed in one or more counterparts. All executed
16 counterparts and each of them will be deemed to be one and the same instrument. Counsel for the
17 Parties will exchange among themselves any signed counterparts.

18 63. **Headings for Convenience Only.**

19 The descriptive headings of any paragraphs or sections of this Settlement Agreement are
20 inserted for convenience of reference only and do not constitute a part of this Settlement Agreement.

21 64. **Construction of This Agreement.**

22 The Parties agree that the terms and conditions of this Settlement Agreement are the result
23 of arms-length negotiations between the Parties and that this Settlement Agreement will not be
24 construed in favor of or against any Party by reason of the extent to which any Party, or her or its
25 counsel participated in the drafting of this Agreement. This Settlement Agreement constitutes the
26 entire agreement between the Parties. Except as expressly provided in this Agreement, this
27 Settlement Agreement has not been executed in reliance upon any other oral or written
28 representations or terms and no such extrinsic oral or written representations or terms will modify,

1 vary or contradict the terms of this Settlement Agreement. In entering this Settlement Agreement,
2 the Parties explicitly recognize California Civil Code section 1625 and California Code of Civil
3 Procedure section 1856(a), which provide that a written agreement is to be construed according to
4 its terms and may not be varied or contradicted by extrinsic evidence. Representative Plaintiff and
5 Defendant had available to them the advice and assistance of independent counsel. As such, neither
6 Representative Plaintiff nor Defendant may claim that any ambiguity in this Settlement Agreement
7 should be construed against the other.

8 65. **Corporate Signatories.**

9 Any person executing this Settlement Agreement or any related document on behalf of a
10 corporate signatory warrants and promises for the benefit of all Parties that such person has been
11 duly authorized by such corporation to execute this Settlement Agreement or any related document.

12 66. **Representation by Counsel.**

13 All of the Parties hereto acknowledge that they have been represented by counsel throughout
14 all negotiations which preceded the execution of this Settlement Agreement and that this Agreement
15 has been executed with the consent and advice of counsel.

16 67. **Attorneys' Fees and Costs.**

17 Except as otherwise provided in this Agreement, the Parties will bear responsibility for their
18 own attorneys' fees and costs, taxable or otherwise, incurred by them or arising out of this Action
19 and will not seek reimbursement thereof from any Party to this Settlement Agreement. In the event
20 of a proven breach of this Agreement, the breaching party will be required to pay the prevailing
21 Party's reasonable attorneys' fees and costs incurred in enforcing this Agreement.

22 [SIGNATURE PAGE TO FOLLOW]
23
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1 **IT IS SO AGREED:**

2 Dated: 5/30/2025

DocuSigned by:
Valerie Sanchez
93CCDB1EFA75485...

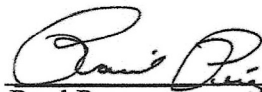
4 Dated:

SUNRISE RESTAURANTS, LLC

By: 
MICHAEL W. SIMMONS
Its VICE PRESIDENT, HR, RISK, & LEGAL

8 Dated: May 30, 2025

APPROVED AS TO FORM AND AGREEMENT TO BE
BOUND BY PARAGRAPHS 41, 55:

By: 
Raul Perz
Bevin Allen Pike
Daniel S. Jonathan
Trisha K. Monesi
CAPSTONE LAW, APC
Attorneys for Plaintiff Valerie Sanchez, as an
aggrieved employee pursuant to the Private
Attorneys General Act ("PAGA"), on behalf of the
State of California and other non-party Aggrieved
Employees,

16 Dated: June 10, 2025

APPROVED AS TO FORM:

By: 
Maria Z. Stearns
Peter Hering
Jonas Trevethan
RUTAN & TUCKER, LLP
Attorneys for Defendant Sunrise Restaurants, LLC,
W.K.S. Restaurant Corporation, and W.K.S. Sunrise
Holdings, LLC

Exhibit A

Exhibit A

[Date], 2025

CPT Group, Inc.

[Street Address]

[City, State Zip]

[Employee Name]

[Employee Street Address]

[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former Sunrise Restaurants, LLC (“Sunrise”) Employee:

You have received this notice because Sunrise’s records indicate that you have worked for Sunrise at some time between April 22, 2021, through October 26, 2024. This notice relates to the settlement of a lawsuit styled *Valerie Sanchez v. Sunrise Restaurants, LLC, et al.*, San Bernardino County Superior Case No. CIVSB2213630 (the “Lawsuit”).

In the Lawsuit, Plaintiff Valerie Sanchez (“Plaintiff”) seeks civil penalties pursuant to the California Private Attorneys General Act (“PAGA”), a law which allows Plaintiff to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiff claims were “aggrieved” by alleged wage and hour violations on the part of Sunrise, including: failure to pay all wages, including minimum and overtime wages; failure to provide meal periods; failure to authorize and permit rest breaks; failure to provide accurate itemized wage statements; failure to maintain accurate payroll records; failure to timely pay wages during employment and upon separation; unlawful tipping policy; compelling patronization; failure to provide one day’s rest in seven; failure to provide suitable seating; failure to pay reporting time pay; failure to reimburse for all necessary business expenses; failure to provide notice of material terms of employment; failure to provide notice of available paid sick leave; and failure to pay paid sick leave.

Sunrise strongly disputes Plaintiff’s allegations and maintains that it has fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuit. Nonetheless, to avoid the cost and distraction of litigation, Sunrise has made a business decision to settle the Lawsuit, which settlement has been approved by the Court. As part of the Settlement, Sunrise agreed to pay a certain amount of penalties under PAGA. Under the PAGA statutes, penalties are divided between the State of California and aggrieved employees, with the State receiving 75 percent of the penalties. Under the Settlement, Plaintiff and the State of California have released the following claims on behalf of the aggrieved employees:

All PAGA claims that were or could have been alleged against Defendant (and Defendant’s affiliated and parent companies W.K.S. Restaurant Corporation and W.K.S. Sunrise Holdings, LLC) based upon the facts and matters identified in Plaintiff’s original PAGA Notice dated April 22, 2022, and in Plaintiff’s First Amended PAGA Notice, dated January 14, 2025, and the operative Complaint filed

in the Action on behalf of the Aggrieved Employees, which arose during the PAGA Period. Without limiting the foregoing, and in addition to the foregoing, the release includes all civil penalties under California Labor Code Section 2699 *et seq.* for alleged: failure to pay all wages, including minimum and overtime wages; failure to provide meal periods; failure to authorize and permit rest breaks; failure to provide accurate itemized wage statements; failure to maintain accurate payroll records; failure to timely pay wages during employment and upon separation; unlawful tipping policy; compelling patronization; failure to provide one day's rest in seven; failure to provide suitable seating; failure to pay reporting time pay; failure to reimburse for all necessary business expenses; failure to provide notice of material terms of employment; failure to provide notice of available paid sick leave; and failure to pay paid sick leave, pursuant to the corresponding applicable sections of the California Labor Code, California Code of Regulations and IWC Wage Orders, including Labor Code §§ 201, 202, 203, 204, 210, 216, 225.5, 226, 226.3, 226.7, 245.5, 246, 248.5, 351, 450, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 2699, 2802, 2804, 2810.5.

The Released Parties include Sunrise and each of its current and former parents, predecessors or successors, holding companies, affiliated or subsidiary companies or entities (including, but not limited to, W.K.S. Restaurant Corporation and W.K.S. Sunrise Holdings, LLC), owners, investors, shareholders, members, partners, officers, directors, managers, employees, agents, attorneys, insurers, or assigns.

As part of the settlement, Sunrise agreed to pay \$490,000.00 which includes the following payments: [\$218,806.70] to the State of California; [\$72,935.56] to be distributed amongst the aggrieved employees; [\$163,333.33] to Plaintiff's counsel for attorneys' fees; up to [\$12,924.41] to Plaintiff's counsel for litigation costs and expenses; up to [\$10,000.00] for Plaintiff's Enhancement Award; and [\$12,000.00] for settlement administration costs. The enclosed settlement check represents your *pro-rata* portion of the Court-approved PAGA settlement to the aggrieved employees based on the number of pay periods you worked during the PAGA period.

You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be distributed to CASA of San Bernardino.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit.

If you have any questions about this notice, please contact the Settlement Administrator, CPT Group, Inc., at [REDACTED].

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUIT. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASE.

Exhibit B

Raul Perez (SBN 174687)
Raul.Perez@capstonelawyers.com
Bevin Allen Pike (SBN 221936)
Bevin.Pike@capstonelawyers.com
Daniel Jonathan (SBN 262209)
Daniel.Jonathan@capstonelawyers.com
Trisha K. Monesi (SBN 303512)
Trisha.Monesi@capstonelawyers.com
CAPSTONE LAW APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
Telephone: (310) 556-4811
Facsimile: (310) 943-0396

Attorneys for Plaintiff Valerie Sanchez

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

VALERIE SANCHEZ, as an aggrieved
employee pursuant to the Private Attorneys
General Act ("PAGA"), on behalf of the State of
California and other non-party Aggrieved
Employees,

Plaintiff,

vs.

SUNRISE RESTAURANTS, LLC, a Nebraska
limited liability company; W.K.S.
RESTAURANT CORPORATION, a California
corporation; W.K.S. SUNRISE HOLDINGS,
LLC, a Delaware limited liability company; and
DOES 1 through 10, inclusive,

Defendants.

Case No. CIVSB2213630

Assigned to the Hon. Joseph T. Ortiz

**[PROPOSED] ORDER APPROVING THE
PARTIES' PAGA SETTLEMENT
AGREEMENT AND JUDGMENT**

Date: September 2, 2025

Time: 1:30 p.m.

Place: Department S17

Complaint Filed: June 29, 2022

Trial Date: None Set

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1 provided the Court with sufficient information about the nature and magnitude of the claims being
2 settled, as well as the impediments to recovery, to make an independent assessment of the
3 reasonableness of the terms to which the Parties have agreed.

4 8. Accordingly, the Court hereby finds that the Settlement is, in all respects, fair,
5 reasonable, adequate and hereby directs implementation of all remaining terms, conditions, and
6 provisions of the Settlement.

7 9. The PAGA Settlement Notice to PAGA Employees, attached as **Exhibit 1** to this Order,
8 fairly and adequately describes the Action, the approved Settlement, and is the best notice practicable
9 under the circumstances.

10 10. The Court finds that each Aggrieved Employee, in accordance with the Settlement,
11 releases all Released PAGA Claims against the Released Parties.

- 12 a. “**Aggrieved Employees**” means all non-exempt employees who worked for
13 Defendant in California and who received at least one wage statement during the
14 PAGA Period.
- 15 b. “**Released Claims**” means all PAGA claims that were or could have been
16 alleged against Defendant (and Defendant’s affiliated and parent companies
17 W.K.S. Restaurant Corporation and W.K.S. Sunrise Holdings, LLC) based upon
18 the facts and matters identified in Plaintiff’s original PAGA Notice dated April
19 22, 2022, and in Plaintiff’s First Amended PAGA Notice, dated January 14,
20 2025, and the operative Complaint filed in the Action on behalf of the
21 Aggrieved Employees, which arose during the PAGA Period. Without limiting
22 the foregoing, and in addition to the foregoing, the release includes all civil
23 penalties under California Labor Code Section 2699 *et seq.* for alleged: failure to
24 pay all wages, including minimum and overtime wages; failure to provide meal
25 periods; failure to authorize and permit rest breaks; failure to provide accurate
26 itemized wage statements; failure to maintain accurate payroll records; failure to
27 timely pay wages during employment and upon separation; unlawful tipping
28 policy; compelling patronization; failure to provide one day’s rest in seven;

1 failure to provide suitable seating; failure to pay reporting time pay; failure to
2 reimburse for all necessary business expenses; failure to provide notice of
3 material terms of employment; failure to provide notice of available paid sick
4 leave; and failure to pay paid sick leave, pursuant to the corresponding
5 applicable sections of the California Labor Code, California Code of
6 Regulations and IWC Wage Orders, including Labor Code §§ 201, 202, 203,
7 204, 210, 216, 225.5, 226, 226.3, 226.7, 245.5, 246, 248.5, 351, 450, 510, 512,
8 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1194.5, 1197, 1197.1,
9 1198, 2699, 2802, 2804, 2810.5.

10 11. **“Released Parties”** means Defendant and its current and former parents, predecessors
11 or successors, holding companies, affiliated or subsidiary companies or entities (including, but not
12 limited to, W.K.S. Restaurant Corporation, W.K.S. Sunrise Holdings, LLC), owners, investors,
13 shareholders, members, partners, joint venturers, officers, directors, managers, employees, agents,
14 attorneys, insurers, or assigns.

15 12. The Settlement is not an admission by Defendant, nor is this Order and Judgment a
16 finding of the validity of any allegations or of any wrongdoing by Defendant. Neither this Order and
17 Judgment, the Settlement, nor any document referred to herein, nor any action taken to carry out the
18 Settlement, may be construed as, or may be used as, an admission of any fault, wrongdoing, omission,
19 concession, or liability whatsoever by or against Defendant.

20 13. The Court approves the gross settlement amount of \$490,000. After deducting the
21 approved amounts for attorneys’ fees and costs, service awards, and settlement administration costs, the
22 net settlement amount of \$291,742.26 will be allocated as follows: Seventy-Five Percent (75%), or
23 approximately \$218,806.70, shall be paid to the California Labor and Workforce Development Agency,
24 and the remaining Twenty-Five Percent (25%), or approximately \$72,935.56, shall be paid to Aggrieved
25 Employees.

26 14. The Court approves Raul Perez, Bevin Allen Pike, Daniel S. Jonathan, and Trisha K.
27 Monesi of Capstone Law APC as PAGA Counsel. The Court hereby awards \$163,333.33 in attorneys’
28 fees and \$12,924.41 costs to Plaintiff’s Counsel, Capstone Law APC.

Exhibit 1

[Date], 2025

CPT Group, Inc.

[Street Address]

[City, State Zip]

[Employee Name]

[Employee Street Address]

[City, State Zip]

Re: PAGA Settlement Payment

Dear Current or Former Sunrise Restaurants, LLC (“Sunrise”) Employee:

You have received this notice because Sunrise’s records indicate that you have worked for Sunrise at some time between April 22, 2021, through October 26, 2024. This notice relates to the settlement of a lawsuit styled *Valerie Sanchez v. Sunrise Restaurants, LLC, et al.*, San Bernardino County Superior Case No. CIVSB2213630 (the “Lawsuit”).

In the Lawsuit, Plaintiff Valerie Sanchez (“Plaintiff”) seeks civil penalties pursuant to the California Private Attorneys General Act (“PAGA”), a law which allows Plaintiff to attempt to recover penalties on behalf of the State of California and on behalf of employees who Plaintiff claims were “aggrieved” by alleged wage and hour violations on the part of Sunrise, including: failure to pay all wages, including minimum and overtime wages; failure to provide meal periods; failure to authorize and permit rest breaks; failure to provide accurate itemized wage statements; failure to maintain accurate payroll records; failure to timely pay wages during employment and upon separation; unlawful tipping policy; compelling patronization; failure to provide one day’s rest in seven; failure to provide suitable seating; failure to pay reporting time pay; failure to reimburse for all necessary business expenses; failure to provide notice of material terms of employment; failure to provide notice of available paid sick leave; and failure to pay paid sick leave.

Sunrise strongly disputes Plaintiff’s allegations and maintains that it has fully complied with all applicable wage and hour laws. The Court has not issued any ruling regarding the merits of the Lawsuit. Nonetheless, to avoid the cost and distraction of litigation, Sunrise has made a business decision to settle the Lawsuit, which settlement has been approved by the Court. As part of the Settlement, Sunrise agreed to pay a certain amount of penalties under PAGA. Under the PAGA statutes, penalties are divided between the State of California and aggrieved employees, with the State receiving 75 percent of the penalties. Under the Settlement, Plaintiff and the State of California have released the following claims on behalf of the aggrieved employees:

All PAGA claims that were or could have been alleged against Defendant (and Defendant’s affiliated and parent companies W.K.S. Restaurant Corporation and W.K.S. Sunrise Holdings, LLC) based upon the facts and matters identified in Plaintiff’s original PAGA Notice dated April 22, 2022, and in Plaintiff’s First Amended PAGA Notice, dated January 14, 2025, and the operative Complaint filed in the Action on behalf of the Aggrieved Employees, which arose during the PAGA Period. Without limiting the foregoing, and in addition to the foregoing, the release includes all civil penalties under California Labor Code Section 2699 *et seq.* for alleged: failure to pay all wages, including minimum and overtime wages; failure to provide meal periods; failure to authorize and permit rest breaks; failure to provide accurate itemized wage statements; failure to maintain accurate payroll records; failure to timely pay wages during employment and upon separation; unlawful tipping policy; compelling patronization; failure to provide one day’s rest in seven; failure to provide suitable seating; failure to pay reporting time pay; failure to reimburse for all necessary business expenses; failure to provide notice of material terms of employment;

failure to provide notice of available paid sick leave; and failure to pay paid sick leave, pursuant to the corresponding applicable sections of the California Labor Code, California Code of Regulations and IWC Wage Orders, including Labor Code §§ 201, 202, 203, 204, 210, 216, 225.5, 226, 226.3, 226.7, 245.5, 246, 248.5, 351, 450, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1194.5, 1197, 1197.1, 1198, 2699, 2802, 2804, 2810.5.

The Released Parties include Sunrise and each of its current and former parents, predecessors or successors, holding companies, affiliated or subsidiary companies or entities (including, but not limited to, W.K.S. Restaurant Corporation and W.K.S. Sunrise Holdings, LLC), owners, investors, shareholders, members, partners, officers, directors, managers, employees, agents, attorneys, insurers, or assigns.

As part of the settlement, Sunrise agreed to pay \$490,000.00 which includes the following payments: [\$218,806.70] to the State of California; [\$72,935.56] to be distributed amongst the aggrieved employees; [\$163,333.33] to Plaintiff's counsel for attorneys' fees; up to [\$12,924.41] to Plaintiff's counsel for litigation costs and expenses; up to [\$10,000.00] for Plaintiff's Enhancement Award; and [\$12,000.00] for settlement administration costs. The enclosed settlement check represents your *pro-rata* portion of the Court-approved PAGA settlement to the aggrieved employees based on the number of pay periods you worked during the PAGA period.

You will not be retaliated against for cashing your check. Checks that are not cashed within 180 days of issuance will be voided and the funds will be distributed to CASA of San Bernardino.

Regardless of what you do with the settlement check, you will have released claims for penalties arising under PAGA as asserted in the Lawsuit.

If you have any questions about this notice, please contact the Settlement Administrator, CPT Group, Inc., at [REDACTED].

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THE LAWSUIT. PLEASE DO NOT CONTACT THE COURT REGARDING THE CASE.

Exhibit C

SAIRAH BUDHWANI
310.929.5455 Direct
Sairah.Budhwani@capstonelawyers.com

April 22, 2022

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.tfaforms.net/308>)

Subject: *Valerie Sanchez v. Sunrise Restaurants, LLC, et al.*

Dear PAGA Administrator:

This office represents Valerie Sanchez in connection with her claims under the California Labor Code. Ms. Sanchez was an employee of SUNRISE RESTAURANTS, LLC; W.K.S. RESTAURANT CORPORATION; and/or W.K.S. SUNRISE HOLDINGS, LLC. For the purpose of this letter, Ms. Sanchez collectively refers to these entities as “SUNRISE.”

The employers may be contacted directly at the addresses below:

SUNRISE RESTAURANTS, LLC
5856 CORPORATE AVENUE, SUITE 200
CYPRESS, CA 90630

W.K.S. SUNRISE HOLDINGS, LLC
5856 CORPORATE AVENUE, SUITE 200
CYPRESS, CA 90630

W.K.S. RESTAURANT CORPORATION
5856 CORPORATE AVENUE, SUITE 200
CYPRESS, CA 90630

Ms. Sanchez intends to seek civil penalties, attorney’s fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 (“PAGA”). Ms. Sanchez seeks relief on behalf of herself, the State of California, and other persons who are or were employed by SUNRISE as a non-exempt, hourly paid employee in California and who received at least one wage statement (“aggrieved employees”). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

SUNRISE employed Ms. Sanchez as an hourly paid, non-exempt employee from approximately October 2018 to January 2022. Ms. Sanchez worked for SUNRISE as a Server, Waitress, Cook, and Person in Charge (“PIC”) at its Denny’s restaurant locations in Fontana and Claremont, California. During her employment, Ms. Sanchez typically worked eight (8) or more hours per day, six (6) to seven (7) days per week. Ms. Sanchez typically worked from 4:00 p.m. to 2:00 a.m. on Tuesdays,

and from 8:00 p.m. to 4:00 a.m. on all other days. Depending on the position she worked during her shifts, Ms. Sanchez was compensated approximately \$14 to \$19 per hour at the time her employment ended with SUNRISE. As a waitress and server, Ms. Sanchez's job duties included, without limitation, greeting and seating guests, taking orders, bringing out food, handling checks, bussing tables, and cleaning and maintaining the dining area. As a cook, Ms. Sanchez's job duties included, without limitation, cooking food, re-stocking ingredients, and cleaning and maintaining the kitchen. As a PIC, Ms. Sanchez's job duties included, without limitation, the duties of the server, waitress, and/or cook positions.

SUNRISE committed one or more of the following Labor Code violations against Ms. Sanchez the facts and theories of which follow, making her an "aggrieved employee" pursuant to California Labor Code section 2699(c):¹

SUNRISE's Company-Wide and Uniform Payroll and HR Practices

SUNRISE RESTAURANTS, LLC is a Nebraska limited liability company, W.K.S. RESTAURANT CORPORATION is a California corporation, and W.K.S. SUNRISE HOLDINGS, LLC is a Delaware limited liability company. Together, they operate Denny's restaurant franchise locations throughout Southern California and other states. SUNRISE operates approximately nine (9) Denny's restaurant locations in California. Upon information and belief, SUNRISE maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Cypress, California, for all non-exempt, hourly paid employees working for SUNRISE in California, including Ms. Sanchez and other aggrieved employees. At all relevant times, SUNRISE issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Ms. Sanchez and other aggrieved employees, regardless of its location or position.

Upon information and belief, SUNRISE maintains a centralized Payroll department at its corporate headquarters in Cypress, California, which processes payroll for all non-exempt, hourly paid employees working for SUNRISE in California, including Ms. Sanchez and other aggrieved employees. Further, SUNRISE issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees working in California, including Ms. Sanchez and other aggrieved employees, irrespective of their location, position, or manner in which each employee's employment ended. In other words, SUNRISE utilized the same methods and formulas when calculating wages due to Ms. Sanchez and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission ("IWC") Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the

¹ These facts, theories, and claims are based on Ms. Sanchez's experience and counsel's review of those records currently available relating to Ms. Sanchez's employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law's requirements, the employer misinformed its employee of the law's requirements, or because the employer effectively hid the violations). Thus, Ms. Sanchez reserves the right to supplement this letter with additional facts, theories, and claims if she becomes aware of them subsequent to the submission of this letter.

regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

SUNRISE willfully failed to pay all overtime wages owed to Ms. Sanchez and other aggrieved employees. During the relevant time period, Ms. Sanchez and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, during the relevant period, SUNRISE had, and continues to have, a company-wide policy of discouraging and impeding Ms. Sanchez and other aggrieved employees from recording hours worked that were outside of their scheduled shifts in order to limit the amount of overtime employees could accrue. As stated in SUNRISE's Team Member Handbook, "all overtime must be pre-approved by the [] manager before it is worked" or otherwise team members "may be subject to disciplinary action." This policy of limiting overtime, coupled with SUNRISE's use of labor budgets and assignment of heavy workloads (*see infra*), led Ms. Sanchez and other aggrieved employees to work off-the-clock before their scheduled shift times. For example, Ms. Sanchez was often required to travel to grocery stores and/or to other SUNRISE locations to pick up supplies and ingredients on her way to work, prior to clocking in for the start of her shift. Moreover, Ms. Sanchez spent 15-35 minutes traveling to other SUNRISE locations in Claremont and Corona to cover shifts when those locations were understaffed, but was not compensated for this travel time. As a further example, when Ms. Sanchez arrived early for her shifts, SUNRISE's management often required her to start working immediately, for up to an hour, before she was able to clock in because the restaurant was busy. Additionally, SUNRISE's managers often called Ms. Sanchez on her personal cellular phone before the start of her shifts, asking her to find coverage for employees who were out. Thus, SUNRISE failed to track all of the time that employees spent performing work-related tasks prior to clocking in for the start of their shifts, and Ms. Sanchez and other aggrieved employees received no compensation for this time.

Second, SUNRISE's company-wide policy of limiting overtime also forced Ms. Sanchez and other aggrieved employees to work after clocking out at the end of their scheduled shifts and/or on their days off. For example, management often pressured Ms. Sanchez to continue working after she had clocked out by cashing customers out, helping the kitchen staff, and seating customers. She was told she could not stay clocked in because overtime hours were limited by the labor budget. As a further example, Ms. Sanchez's managers would call her on her personal cellular phone on her off-days to discuss work-related matters, such as what occurred at the restaurant during her shift and/or to pressure her to work more shifts. This off-the-clock work could have been recorded by SUNRISE, but it refused to do so to avoid payment of additional wages to Ms. Sanchez and other aggrieved employees. Thus, SUNRISE failed to track all of the time that employees spent performing work-related tasks after clocking out at the end of their shifts or on days off, and Ms. Sanchez and other aggrieved employees received no compensation for this time spent working.

Third, SUNRISE had, and continues to have, a company-wide policy of circumventing the payment of overtime wages to minimize labor costs. Specifically, SUNRISE implemented a timekeeping policy that resets the work day approximately around 7:00 a.m. and therefore treats shifts extending

into the following “day” as two separate shifts. This policy had the effect of reducing the amount of overtime that would need to be paid to other aggrieved employees when they worked overnight or early morning shifts. For example, when other aggrieved employees worked shifts longer than eight (8) hours that extended past 7:00 a.m., they were not paid overtime or double-time premiums for all of the hours they worked in excess of eight (8) hours in a day and/or in excess of twelve (12) hours in a day.

Further, as part of this practice of circumventing payment of overtime wages to employees, SUNRISE utilized a uniform timekeeping system that automatically clocked-out and locked out employees during two “reboots” at 4:00 a.m. and at 7:00 a.m. each day. Indeed, when resetting, SUNRISE’s timekeeping system locked the point-of-sale (“POS”) machines that Ms. Sanchez and other aggrieved employees used to clock in and clock out, so that they were forced to clock out and continue working while off-the-clock before being able to log back into the POS system to clock in once the reset had been completed. For example, when Ms. Sanchez was scheduled to work an overnight shift, she was automatically clocked out at 4:00 a.m. for a period of at least 20-25 minutes and was forced to continue working before being able log back into the POS system to clock in, after the reset had been completed, time for which she was not paid. Often, as stated above, these resets made some shifts appear to be split over two days, and limited the amount of overtime that Ms. Sanchez and other aggrieved employees would have normally received, had their shifts not been made to look like two separate shifts. Moreover, because SUNRISE’s timekeeping system was integrated with the company’s POS system, Ms. Sanchez and other aggrieved employees would often have to wait to clock in for the start of their shifts, because employees from the morning shift were using the POS system to handle customer transactions. Thus, Ms. Sanchez and other aggrieved employees performed work that was not recorded, time for which they were not paid.

Fourth, as stated, SUNRISE had, and continues to have, a company-wide policy of strictly staffing its restaurant locations based on the labor hours allocated by each location’s labor or payroll budget set by corporate. For example, Ms. Sanchez’s managers often pressured her to clock in as a server so that she would not use the hours allocated to managers and PICs, even though she had been promoted to PIC. Based on information and belief, there were approximately 155 hours allocated to managers and PICs every two weeks, and there were a certain number of hours allocated for servers and hosts as well. This practice of labor budgeting and/or limited payroll allocation, combined with the assignment of heavy workloads, has resulted in chronic understaffing and a lack of adequate meal period coverage, because there were too few employees on duty to handle the workload. Moreover, SUNRISE has a practice of failing to schedule meal periods, which further caused Ms. Sanchez and other aggrieved employees to not be relieved of their duties for compliant meal periods.

As a result of this insufficient meal period coverage, Ms. Sanchez and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. For example, Ms. Sanchez often missed her meal periods entirely because there were an inadequate number of employees to take over her job duties while she took her meal periods. Further, because SUNRISE frowned upon employees accruing meal period penalties, SUNRISE’s management pressured employees to clock out for meal periods to reflect compliant meal periods and/or adjusted employee time records, regardless of whether they had received a compliant meal period or not, in order to strictly limit meal penalties that would need to be paid by SUNRISE. Consequently, Ms. Sanchez and other aggrieved employees performed work during meal periods for which they were not paid.

Fifth, to prevent Ms. Sanchez and other aggrieved employees from incurring meal period penalties

that SUNRISE would otherwise owe, SUNRISE's timekeeping system prevented Ms. Sanchez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Ms. Sanchez and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes had elapsed. Thus, SUNRISE's timekeeping system further prevented Ms. Sanchez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted.

SUNRISE knew or should have known that as a result of these company-wide practices and/or policies, Ms. Sanchez and other aggrieved employees were performing assigned duties off-the-clock during meal periods and before and after their shifts, and were suffered or permitted to perform work for which they were not paid. Because Ms. Sanchez and other aggrieved employees worked shifts of eight (8) hours a day or more, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Ms. Sanchez and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

Furthermore, SUNRISE did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, SUNRISE paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, SUNRISE failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, SUNRISE failed to pay all overtime wages by paying a lower overtime rate than required.

SUNRISE's failure to pay Ms. Sanchez and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 5-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code. Regs. tit. 8, § 11050(2)(K) (defining "Hours Worked").

First, as stated, during the relevant time period, as a result of SUNRISE's policy of limiting the amount of overtime employees could accrue, SUNRISE required Ms. Sanchez and other aggrieved employees to perform work off-the-clock before and after their scheduled shift start- and end-times to complete their tasks, such as traveling to grocery stores and other SUNRISE locations to pick up supplies, driving to other SUNRISE locations to cover shifts, responding to phone calls from SUNRISE's management about work-related matters, and attending to customers. Moreover, as set forth above, SUNRISE utilized a timekeeping system that automatically clocked-out and locked out

employees during overnight shifts during two “reboots” at 4:00 a.m. and 7:00 a.m., causing Ms. Sanchez and/or other aggrieved employees to work off-the-clock before they were able to log back into the system to clock in, once the reset had been completed. Furthermore, as stated, because SUNRISE’s timekeeping system was integrated with the company’s POS system, Ms. Sanchez and other aggrieved employees had to wait to clock in for the start of their shifts when other employees were using the POS system to handle customer transactions. SUNRISE failed to track this time Ms. Sanchez and other aggrieved employees spent working off-the-clock, and thus, Ms. Sanchez and other aggrieved employees received no compensation for this time.

Second, as set forth above, due to SUNRISE’s company-wide practice of utilizing labor budgets, understaffing, assignment of heavy workloads, failure to schedule meal periods, and/or subsequent lack of meal period coverage, Ms. Sanchez and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock. Further, to limit the meal penalties that SUNRISE would otherwise owe, SUNRISE pressured Ms. Sanchez and other aggrieved employees to clock out for meal periods and/or adjusted employee time records to reflect compliant meal periods, but required them to continue working, time for which they were not paid. Also, as set forth above, SUNRISE systematically failed to pay Ms. Sanchez and other aggrieved employees for actual hours worked during unpaid meal periods, because SUNRISE’s timekeeping system locked out Ms. Sanchez and other aggrieved employees for 30 minutes when they clocked out for a meal period and would not permit them to clock back in from a meal period until 30 minutes had elapsed.

Thus, SUNRISE did not pay at least minimum wages for all hours worked by Ms. Sanchez and other aggrieved employees. Also, to the extent that these off-the-clock hours did not qualify for overtime premium payment, SUNRISE did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, SUNRISE regularly failed to pay at least minimum wages to Ms. Sanchez and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee’s regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee’s regular rate, except that if the total hours worked is no more than

twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

During the relevant time period, as stated, SUNRISE had, and continues to have, a company-wide policy and/or practice of understaffing locations due to labor budgeting and/or limited payroll allocation, which, combined with the assignment of heavy workloads and failure to schedule meal periods, resulted in a lack of meal period coverage and prevented Ms. Sanchez and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled.

As a result, Ms. Sanchez and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods. For example, Ms. Sanchez often missed her meal periods entirely because there were an inadequate number of employees to take over her job duties while she took her meal periods, and would have her meal periods interrupted or shortened by SUNRISE's management or other coworkers requesting she return to work. Further, because SUNRISE frowned upon employees accruing meal period penalties, SUNRISE's management pressured employees to clock out for meal periods to reflect compliant meal periods and/or adjusted employee time records, regardless of whether they had received a compliant meal period or not, in order to strictly limit meal penalties that would need to be paid by SUNRISE.

Moreover, SUNRISE did not provide Ms. Sanchez and other aggrieved employees with second 30-minute meal periods on days that they worked in excess of 10 hours in one day. For example, during the relevant time period, Ms. Sanchez worked shifts in excess of 10 hours in one day at least once per week and never took a second meal period. Ms. Sanchez and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

SUNRISE knew or should have known that as a result of its company-wide policies and/or practices, Ms. Sanchez and other aggrieved employees were not actually relieved of all duties to take timely, uninterrupted meal periods. SUNRISE further knew or should have known that it did not pay Ms. Sanchez and other aggrieved employees meal period premiums when meal periods were missed, late, shortened, and/or interrupted. As set forth above, SUNRISE's timekeeping system locked out Ms. Sanchez and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes had elapsed even when their meal periods were shortened or interrupted.

Furthermore, SUNRISE engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Ms. Sanchez and other aggrieved employees have not received premium pay for missed, interrupted, shortened, or late meal periods. Alternatively, to the extent that SUNRISE did pay other aggrieved employees premium pay for missed, late, interrupted and shortened meal periods, SUNRISE did not pay other aggrieved employees at the correct rate of pay for premiums because SUNRISE systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, SUNRISE failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Sanchez and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198 and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 269-270 (2016).

During the relevant time period, SUNRISE regularly failed to authorize and permit Ms. Sanchez and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, SUNRISE's company-wide policies and/or practices of labor budgeting and/or limited payroll allocation, understaffing, and assigning heavy workloads, resulted in a lack of rest period coverage and prevented Ms. Sanchez and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. SUNRISE also failed to schedule rest periods, which, coupled with SUNRISE's failure to provide adequate rest period coverage, further led to Ms. Sanchez and other aggrieved employees not being authorized and permitted to take rest periods.

Moreover, SUNRISE maintained a company-wide on-premises rest period policy, which mandated that Ms. Sanchez and other aggrieved employees remain on SUNRISE's premises during their rest periods. Because Ms. Sanchez and other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands or getting something to eat. Thus, SUNRISE effectively maintained control over Ms. Sanchez and other aggrieved employees during rest periods.

As a result of SUNRISE's practices and policies, Ms. Sanchez and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, Ms. Sanchez had to forego her rest periods entirely during each shift because the restaurant was busy, did not have coverage, and there was an expectation that all employees would work through their rest periods.

SUNRISE also has engaged in a company-wide practice and/or policy of not paying all rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Ms. Sanchez and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that SUNRISE did pay other aggrieved

employees one (1) additional hour of premium pay for missed rest periods, SUNRISE did not pay other aggrieved employees at the correct rate of pay for premiums because SUNRISE failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, SUNRISE failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Ms. Sanchez and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. SUNRISE has not provided Ms. Sanchez and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, SUNRISE has knowingly and intentionally provided Ms. Sanchez and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, SUNRISE issued uniform wage statements to Ms. Sanchez and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages and/or meal and rest period premiums, and the corresponding number of hours worked at each hourly rate. Specifically, SUNRISE violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because SUNRISE did not record the time Ms. Sanchez and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), SUNRISE did not list the correct amount of gross wages and net wages earned by Ms. Sanchez and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, SUNRISE failed to accurately list the total number of hours worked by Ms. Sanchez and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

In addition, because SUNRISE did not calculate other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages and/or meal and rest period premiums, SUNRISE did not list the correct amount of gross wages earned by other aggrieved employees in compliance with section 226(a)(1) and did not list the correct amount of net wages earned by other aggrieved employees in violation of section 226(a)(5). SUNRISE also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages and/or

meal and rest period premiums, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating the hours they worked off-the-clock.

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. . . .” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), SUNRISE willfully failed to maintain accurate payroll records for Ms. Sanchez and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, SUNRISE failed, on a company-wide basis, to keep accurate records of work period and meal period start and stop times for Ms. Sanchez and other aggrieved employees, in violation of section 1198. As stated, SUNRISE engaged in a company-wide practice and/or policy of falsifying Ms. Sanchez’s and other aggrieved employees’ time records by recording that compliant meal periods were taken regardless of if or when meal periods were actually taken, and thereby failed to keep accurate records of meal start and end times for Ms. Sanchez and other aggrieved employees. Furthermore, in light of SUNRISE’s failure to provide Ms. Sanchez and other aggrieved employees with second 30-minute meal periods to which they were entitled, SUNRISE kept no records of meal start and end times for second meal periods.

Because SUNRISE failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Ms. Sanchez and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Ms. Sanchez and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, SUNRISE failed to pay Ms. Sanchez and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, within any time period specified by California Labor Code section 204.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

SUNRISE willfully failed to pay Ms. Sanchez and other aggrieved employees who are no longer employed by SUNRISE all their earned wages, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, either at the time of discharge, or within seventy-two (72) hours of their leaving SUNRISE's employ.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 256 and/or 2699(a), (f)-(g).

Violation of Labor Code § 351 – Unlawful Tipping Policy

California Labor Code section 351 provides that no employer shall collect, take, or receive any gratuity that is paid, given to, or left for an employee by a patron. Gratuity is deemed to be the sole property of the employee or employees to whom they are paid, given, or left for. California law permits employer-mandated tip pooling so long as the tip pooling policy is reasonable. An employer that permits patrons to pay gratuities by credit card shall pay the employees the full amount of the gratuity that the portion indicated on the credit card slip, without any deductions for any credit card payment processing fees or costs that may be charged to the employer by the credit card company.

Payment of gratuities made by patrons using credit cards shall be made to the employees not later than the next regular payday following the date the patron authorized the credit card payment.

During the relevant time period, SUNRISE made unlawful withholdings and deductions, such as credit card payment processing fees or costs, from Ms. Sanchez's and other aggrieved employees' earned tips or gratuities when customers paid tips using credit cards. As a result, SUNRISE violated California Labor Code section 351.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 450 – Compelling Patronization

Labor Code section 450 provides that an employer may not “compel or coerce any employee, or applicant for employment, to patronize his or her employer, or any other person, in the purchase of anything of value.” An employer violates section 450 by forcing an employee to patronize the employer's or any other person's business in the purchase of a good, service, or anything of value.

SUNRISE had a company-wide policy of only providing employees with one (1) uniform shirt per year, and requiring employees to purchase their own replacement or additional uniform shirts. Other aggrieved employees were required to pay for uniform shirts bearing the “Denny's” logo from the Denny's website if they wanted replacement or additional uniform shirts. Other aggrieved employees were forced to pay for uniform shirts, approximately \$24 each, because SUNRISE expected them to report to work in clean and presentable uniforms shirts bearing the “Denny's” logo, but did not provide its employees with a sufficient number of uniforms.

SUNRISE's conduct of compelling and/or coercing other aggrieved employees to purchase goods, services, or anything of value, is in violation of California Labor Code section 450. Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code §§ 551 and 552 – Failure to Provide One Day's Rest in Seven

California Labor Code section 551 provides that every person employed in any occupation of labor is entitled to one day's rest in seven. California Labor Code section 552 prohibits employers from requiring employees to work more than six consecutive days without a day of rest. California Labor Code section 556 exempts an employer from the day-of-rest requirement when the total hours worked by an employee do not exceed 30 hours in any week or six (6) hours in any one day thereof.

During the relevant period, SUNRISE required Ms. Sanchez and other aggrieved employees to work approximately six (6) or more hours per day and seven (7) consecutive days in a workweek. For example, approximately every other week, Ms. Sanchez worked seven (7) consecutive days without being afforded the opportunity to take one day's rest. Because Ms. Sanchez and other aggrieved employees worked over thirty (30) hours per week and over six (6) hours in any one day in a workweek, they were not exempt from the day-of-rest requirement. To the extent that Ms. Sanchez and other aggrieved employees signed purported waivers of their right to a day's rest in seven, such waivers are invalid.

Thus, SUNRISE caused Ms. Sanchez and other aggrieved employees to work more than six days in seven, in violation of Labor Code sections 551 and 552. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 14(A) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11050(14)(A) provides that “[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.”

“The ‘nature of the work’ refers to an employee’s tasks performed at a given location for which a right to a suitable seat is claimed, rather than a ‘holistic’ consideration of the entire range of an employee’s duties anywhere on the jobsite during a complete shift. If the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for.” *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 558 (Cal. 2016). “Whether the nature of the work reasonably permits sitting is a question to be determined objectively based on the totality of the circumstances. An employer’s business judgment and the physical layout of the workplace are relevant but not dispositive factors. The inquiry focuses on the nature of the work, not an individual employee’s characteristics.” *Id.* The burden of proof to show suitable seating is not available is on the employer. *Id.* at 568. In other words, the employer must show that compliance is “infeasible because no suitable seating exists.” *See id.*

SUNRISE’s California restaurants are generally similar in their layout and design and there was, and continues to be, space behind host stands to allow for the presence and use of a seat or stool by other aggrieved employees (with reasonable or no modification to these work areas) during the performance of their work duties. SUNRISE could provide other aggrieved employees with a seat or stool at its host stands, but instead denies employees seating and forces other aggrieved employees to stand throughout the day.

Other aggrieved employees spent a substantial portion of their day behind or at these host stands. The nature of the work of an employee performing host duties at host stands can reasonably be accomplished from a seated position. However, as set forth herein, SUNRISE systematically, and on a company-wide basis, does not provide seats or stools at or near the host stands, forcing other aggrieved employees to stand throughout their work shifts.

SUNRISE violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(14)(A) because other aggrieved employees were not allowed to sit, even when it would not have interfered with the performance of their duties, nor were they provided with suitable seats. SUNRISE’s management did not inform other aggrieved employees that they were allowed to sit down, provide any means for them to sit down, or mention any policy regarding sitting.

As a result of SUNRISE's company-wide policy and/or practice of prohibiting employees from sitting during their shifts and company-wide failure to provide suitable seating, other aggrieved employees were forced to stand during shifts and denied seats. SUNRISE's failure to provide suitable seating to other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order 5-2001, subdivision 14(A).

Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring SUNRISE into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 14(B) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that "... the standard conditions of labor fixed by the commission shall be the ... standard conditions of labor for employees. The employment of any employee ... under conditions of labor prohibited by the order is unlawful." California Code of Regulations, Title 8, section 11050 subdivision (14)(A) provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." California Code of Regulations, Title 8, section 11050(14)(B) provides that "[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties."

The IWC states that subdivision 14(B) applies during "lulls in operation" when an employee, while still on the job, is not then actively engaged in any duties. *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 565 (Cal. 2016), citing IWC, 1976 Wage Orders, Summary of Basic Provisions, Seats. When taken together, an employee is entitled to a seat under subdivision 14(A) if his or her actual tasks at a discrete location make seated work feasible, while working there. *Id.* However, if other job duties take the employee to a different location where he or she must perform tasks requiring standing, the employee would be entitled to a seat under subdivision 14(B) during "lulls in operation." *Id.*

SUNRISE's California restaurants are generally similar in their layout and design and there was, and continues to be, space near their work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by Ms. Sanchez and other aggrieved employees during lulls in operation. SUNRISE could have provided Ms. Sanchez and other aggrieved employees with a seat or stool in its work areas, but instead denied, and continues to deny, employees seating, forcing them to stand throughout the day.

SUNRISE did not provide Ms. Sanchez and other aggrieved employees with seats or stools in reasonable proximity to their work areas to allow them to use seats when it would not interfere with the performance of their duties for times when they were not engaged in active duties that require standing. In other words, to the extent Ms. Sanchez and other aggrieved employees engaged in duties in which the nature of the work required standing, SUNRISE denied them the use of seats nearby during lulls in their work duties. Moreover, SUNRISE did not inform Ms. Sanchez and other aggrieved employees of their rights to a seat or stool under California law.

As a result of SUNRISE's company-wide policy and/or practice of prohibiting employees from sitting at any time, even when they were not engaged in active duties requiring standing, and company-wide failure to provide seats in reasonable proximity to their work areas, Ms. Sanchez and other aggrieved employees were forced to stand during shifts and denied seats. SUNRISE's failure to provide suitable seating to Ms. Sanchez and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 5-2001, subdivision 14(B).

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring SUNRISE into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 5(A) – Failure to Pay Reporting Time Pay

California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC wage order. California Labor Code section 1198 further requires that "... the standard conditions of labor fixed by the commission shall be the ... standard conditions of labor for employees. The employment of any employee ... under conditions of labor prohibited by the order is unlawful."

California Code of Regulations, Title 8, section 11050(5)(A) provides that "[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage." The "primary purpose of the reporting time regulation" is "to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer." *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

During the relevant time period, SUNRISE violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A), because SUNRISE failed to pay other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the usual or scheduled day's work.

SUNRISE had a company-wide practice of sending other aggrieved employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay other aggrieved employees for half of their usual or scheduled shift. For example, on information and belief, when scheduled to work an eight (8) hour shift, other aggrieved employees were sent home before four (4) hours had elapsed because business was slow, but were only paid for the time that they had worked. Although other aggrieved employees would report to work based on the schedule that SUNRISE provided to them, SUNRISE would send them home before they had worked at least half of their scheduled shifts without giving them reporting time pay.

Accordingly, other aggrieved employees were not properly compensated with reporting time pay in violation of California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A).

Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest

thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 5-2001, provides that: “[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.” IWC Wage Order No. 5-2001 further provides that: “[w]hen uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer.”

First, during the relevant time period, SUNRISE, on a company-wide basis, required that Ms. Sanchez and other aggrieved employees use their own personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties, but failed to reimburse them for the costs of their work-related mobile device expenses. For example, Ms. Sanchez and other aggrieved employees would be contacted outside of their scheduled shifts on their personal cellular phones by SUNRISE’s managers and/or supervisors regarding scheduling and other work-related matters. Although SUNRISE required Ms. Sanchez and other aggrieved employees to utilize their personal mobile devices to carry out their work-related responsibilities, SUNRISE failed to reimburse them for this cost.

Second, during the relevant time period, SUNRISE, on a company-wide basis, required Ms. Sanchez and other aggrieved employees to use their own personal vehicles to carry out company business, but failed to reimburse them for all costs of travel, including mileage. For example, Ms. Sanchez was required to run company errands and drive to cover shifts at other SUNRISE Denny’s restaurant locations. During the relevant time period, Ms. Sanchez was required to use her personal vehicle and drive up to 20 miles to pick up supplies from grocery stores and other SUNRISE locations on her way to work. Additionally, approximately twice per month, Ms. Sanchez was required to use her personal vehicle to drive 22 miles to work at SUNRISE’s restaurant in Corona when they were short-staffed. Although SUNRISE required Ms. Sanchez and other aggrieved employees to utilize their personal vehicles to carry out their work-related responsibilities, SUNRISE failed to reimburse them for their mileage or travel expenses.

Third, during the relevant time period, SUNRISE required Ms. Sanchez and other aggrieved employees to purchase supplies and equipment necessary for the performance of their duties, but failed to reimburse them for their out-of-pocket costs. For example, Ms. Sanchez spent about \$10 per year on server books in order to take down customer orders, because SUNRISE failed to provide her with the necessary supplies and/or equipment which were required for the restaurant to operate properly and/or meet management’s expectations. Although SUNRISE required Ms. Sanchez and other aggrieved employees purchase supplies and equipment to carry out their work-related responsibilities, SUNRISE failed to reimburse them for their out-of-pocket costs.

Fourth, during the relevant time period, SUNRISE expected Ms. Sanchez and other aggrieved

employees to “dress for success,” requiring all employees to project a professional image, “wear proper attire at all times,” and adhere to grooming and cleanliness standards. Defendants’ written dress code policy further states that “Employees are fully responsible for the cleanliness of their uniform.” Ms. Sanchez and other aggrieved employees were thus required to report to work wearing clean uniforms bearing the Denny’s company logo, including uniform shirts, aprons, head covers, and/or hats. However, SUNRISE did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. For example, SUNRISE only provided Ms. Sanchez and other aggrieved employees with one (1) uniform shirt per year. Because SUNRISE failed to provide Ms. Sanchez and other aggrieved employees with an adequate number of uniform shirts in relation to their scheduled shifts and for the tasks they were required to perform, Ms. Sanchez and other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. For example, due to the nature of restaurant work, Ms. Sanchez’s and other aggrieved employees’ uniform items would become stained with grease, sweaty, soiled, and/or acquire an unpleasant odor such that they were unable to mix these clothes in with other laundry. As a result, they had to wash their uniform items separately from their regular clothing, thus incurring additional laundry expenses for the upkeep of their uniforms. Thus, SUNRISE failed to maintain uniforms they required Ms. Sanchez and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

Fifth, as stated above, SUNRISE provided an insufficient number of uniform shirts to employees, and had a company-wide policy of requiring other aggrieved employees to purchase replacement or additional uniform shirts. Other aggrieved employees were required to purchase uniform shirts bearing the Denny’s logo for approximately \$24 each. Thus, SUNRISE failed to reimburse other aggrieved employees for all of the costs of obtaining replacement or additional uniform shirts.

SUNRISE could have provided Ms. Sanchez and/or other aggrieved employees with the actual tools for use on the job, such as company mobile devices, company vehicles, and supplies and equipment, as well as an adequate number of uniform items and access to laundering services. Or, SUNRISE could have reimbursed employees for the costs of their mobile device usage, travel, mileage, supplies and equipment, uniform shirts, and laundering expenses or provided a uniform maintenance allowance. Instead, SUNRISE passed these operating costs off onto Ms. Sanchez and/or other aggrieved employees. At all relevant times, Ms. Sanchez did not earn at least two (2) times the minimum wage.

Thus, SUNRISE had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment

California’s Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the

employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Effective January 1, 2015, an employer's written notice pursuant to section 2810.5 must also include a statement that the employee may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.

At all relevant times, on information and belief, SUNRISE failed, on a company-wide basis, to provide written notice to Ms. Sanchez and other aggrieved employees that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). SUNRISE's failure to provide Ms. Sanchez and other aggrieved employees with written notice of basic information regarding their employment with SUNRISE is in violation of Labor Code section 2810.5.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

California Labor Code § 558(a)

California Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid. . . . (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid. . . ." Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." SUNRISE, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Ms. Sanchez's and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Ms. Sanchez seeks the remedies set forth in Labor Code section 558 for herself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, Ms. Sanchez, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for herself, all other aggrieved employees, and the State of California against SUNRISE for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 351, 450, 510, 512(a), 516, 551, 552, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5.

Therefore, on behalf of all aggrieved employees, Ms. Sanchez seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Pre-Litigation Demand

This notice shall further serve as Ms. Sanchez's reasonable attempt to settle her dispute with SUNRISE prior to litigation. Pursuant to *Graham v. Daimler Chrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to inform SUNRISE of Ms. Sanchez's aforementioned grievances and the proposed remedies as detailed below, while affording SUNRISE a reasonable opportunity to satisfy Ms. Sanchez's demands.

Demand is hereby made that SUNRISE shall, within 30 calendar days of this notice, agree, in writing to the following corrective actions:

1. SUNRISE shall pay Ms. Sanchez and all other aggrieved employees employed by SUNRISE at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. SUNRISE shall comply with all California labor laws and ensure that its non-exempt employees are paid overtime wages and minimum wages for all hours worked, provided lawful meal and rest periods, and paid reporting time pay.
3. SUNRISE shall conduct a survey or interview all current and former aggrieved employees in California who worked for SUNRISE in the past three years to obtain information from them regarding the above-referenced violations, including, but not limited to: the number of meal periods which were not provided; the number of rest periods which were not authorized and permitted; and the number of employees who were required to pay for travel expenses, mileage, mobile device expenses, supply and equipment expenses, uniform maintenance and replacement costs, or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. SUNRISE shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not provided one or more meal periods, as required by Labor Code sections 226.7, 512(a), 516, and 1198. SUNRISE also shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code sections 226.7, 516, and 1198.
5. SUNRISE shall reimburse Ms. Sanchez and all aggrieved employees who were required to pay for any business expenses incurred for SUNRISE's benefit, including, but not limited to, costs of travel expenses, mileage, mobile device expenses, supply and equipment expenses, and uniform maintenance and replacement costs, as required by Labor Code section 2802.
6. SUNRISE shall pay accrued legal interest to Ms. Sanchez and all aggrieved employees at the rate of 10% per annum for said unpaid wages.
7. SUNRISE shall provide Ms. Sanchez and all aggrieved employees employed by SUNRISE at any time during the past three years from the date of this notice corrected wage statements that include the requisite information set forth in Labor Code section 226(a).
8. SUNRISE shall pay Ms. Sanchez and all aggrieved employees the full amount of all gratuities owed to them as indicated on customers' credit card slips, without any deductions for any credit card payment processing fees or costs, as set forth in Labor Code section 351.
9. SUNRISE shall reimburse Ms. Sanchez and all aggrieved employees for their costs and expenses incurred as a result of SUNRISE's conduct of compelling and/or coercing Ms. Sanchez and other aggrieved employees to purchase goods, services, or anything of value, in violation of California Labor Code section 450.

10. SUNRISE shall provide Ms. Sanchez and all aggrieved employees who worked over thirty (30) hours per week and over six (6) hours per day in a workweek with one day's rest in seven, as required by Labor Code sections 551 and 552.
11. SUNRISE shall provide aggrieved employees who are required to report for work and do report but are not put to work or are furnished less than half their usual or scheduled day's work, with pay for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the aggrieved employee's regular rate of pay.
12. SUNRISE shall implement and provide suitable seating to all aggrieved employees.
13. SUNRISE shall provide all aggrieved employees written notice of basic information regarding their employment that includes the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C).
14. SUNRISE shall pay waiting time penalties, equal to 30 days of pay, to each former aggrieved employee who was not paid all wages due as described herein.
15. SUNRISE shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code sections 2698, *et seq.*, including, but not limited to, penalties under Labor Code sections 210, 226.3, 256, 558, 1174.5, 1197.1, and 2699, and Wage Order No. 5-2001, section 20.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Sairah Budhwani
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
(310) 556-4811

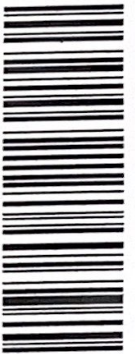
Best Regards,

Sairah Budhwani

Copy: SUNRISE RESTAURANTS, LLC (via U.S. Certified Mail); W.K.S. RESTAURANT CORPORATION (via U.S. Certified Mail); W.K.S. SUNRISE HOLDINGS, LLC (via U.S. Certified Mail)

Capstone
LAW APC
1875 Century Park East, Ste 1000
Los Angeles, CA 90067

CERTIFIED MAIL



7021 1970 0001 3865 2668

W.K.S. RESTAURANT CORPORATION
5856 CORPORATE AVENUE, SUITE
200
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5856 CORPORATE AVE., Ste. 200

CYPRESS, CA 90630

PS Form 3800, April 2015 PSN 7530-02-000-9053

See Reverse for Instructions

SANCHEZ V.
SUNNYSIDE DIST.

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1. Article Addressed to:

W.K.S. RESTAURANT CORPORATION
5856 CORPORATE AVENUE, SUITE
200
CYPRESS, CA 90630



9590 9402 6817 1074 4603 27

2. Article Number (Transfer from service label)

7021 1970 0001 3865 2668

PS Form 3811, July 2020 PSN 7530-02-000-9053

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A. Signature

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☐ Agent
☐ Addressee

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Sanchez Rest.

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5856 Corporate Ave., Ste. 200
Cypress, CA 90630

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

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1. Article Addressed to:

W.K.S. SUNRISE HOLDINGS, LLC
5856 CORPORATE AVENUE, SUITE
200
CYPRESS, CA 90630



9590 9402 6817 1074 4603 34

2. Article Number (Transfer from service label)

7021 1970 0001 3865 2934

PS Form 3811, July 2020 PSN 7530-02-000-9053

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☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

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- ☐ Signature Confirmation™
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Postage

Total Postage and Fees

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1. Article Addressed to:

SUNRISE RESTAURANTS, LLC
5856 CORPORATE AVENUE, SUITE
200
CYPRESS, CA 90630



9590 9402 6817 1074 4603 10

2. Article Number (Transfer from service label)

7021 1970 0001 3865 2927

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail[®]
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express[®]
- ☐ Registered Mail[™]
- ☐ Registered Mail Restricted
- ☐ Signature Confirmation[™]
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

Sent to
Sunrise Restaurants, LLC
5856 Corporate Ave., Ste. 200
Cypress, CA 90630
Somdheer V.
Sunrise Rest.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

W.K.S. RESTAURANT CORPORATION
5856 CORPORATE AVENUE, SUITE
200
CYPRESS, CA 90630



9590 9402 6817 1074 4603 27

2. Article Number (Transfer from service label)

7021 1970 0001 3865 2668

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4-25-22

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SUNRISE RESTAURANTS, LLC
5856 CORPORATE AVENUE, SUITE
200
CYPRESS, CA 90630



9590 9402 6817 1074 4603 10

2. Article Number (Transfer from service label)

7021 1970 0001 3865 2927

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4-25-22

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

W.K.S. SUNRISE HOLDINGS, LLC
5856 CORPORATE AVENUE, SUITE
200
CYPRESS, CA 90630



9590 9402 6817 1074 4603 34

2. Article Number (Transfer from service label)

7021 1970 0001 3865 2934

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

4-25-22

- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

BEVIN PIKE
310.712.8010 Direct
Bevin.Pike@capstonelawyers.com

January 14, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.govfa.net/310>)

Subject: Valerie Sanchez v. Sunrise Restaurants, LLC, et al.
LWDA Case No. LWDA-CM-880002-22 – AMENDED NOTICE

Dear PAGA Administrator:

This office represents Valerie Sanchez in connection with her claims under the California Labor Code. Ms. Sanchez was an employee of SUNRISE RESTAURANTS, LLC; W.K.S. RESTAURANT CORPORATION; and/or W.K.S. SUNRISE HOLDINGS, LLC. For the purpose of this letter, Ms. Sanchez collectively refers to these entities as “SUNRISE.” We previously provided notice of Ms. Sanchez’s claims to the California Labor and Workforce Development Agency (“LWDA”) on April 22, 2022, and submitted the applicable filing fee pursuant to Labor Code section 2699.3(a)(1)(B). This amended notice supplements Ms. Sanchez’s prior LWDA notice and is intended to clarify the facts and theories supporting her claims.

The employers may be contacted directly at the addresses below:

SUNRISE RESTAURANTS, LLC
5856 CORPORATE AVENUE, STE 200
CYPRESS, CA 90630

W.K.S. SUNRISE HOLDINGS, LLC
5856 CORPORATE AVENUE, STE 200
CYPRESS, CA 90630

W.K.S. RESTAURANT CORPORATION
5856 CORPORATE AVENUE, SUITE 200
CYPRESS, CA 90630

Ms. Sanchez intends to seek civil penalties, attorney’s fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 (“PAGA”). Ms. Sanchez seeks relief on behalf of herself, the State of California, and other persons who are or were employed by SUNRISE as a non-exempt, hourly paid employee in California and who received at least one wage statement (“aggrieved employees”). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

SUNRISE employed Ms. Sanchez as an hourly paid, non-exempt employee from approximately October 2018 to January 2022. Ms. Sanchez worked for SUNRISE as a Server, Waitress, Cook, and Person in Charge (“PIC”) at its Denny’s restaurant locations in Fontana and Claremont, California. During her employment, Ms. Sanchez typically worked eight (8) or more hours per day, six (6) to seven (7) days per week. Ms. Sanchez typically worked from 4:00 p.m. to 2:00 a.m. on Tuesdays, and from 8:00 p.m. to 4:00 a.m. on all other days. Depending on the position she worked during her shifts, Ms. Sanchez was compensated approximately \$14 to \$19 per hour at the time her employment ended with SUNRISE. As a waitress and server, Ms. Sanchez’s job duties included, without limitation, greeting and seating guests, taking orders, bringing out food, handling checks, bussing tables, and cleaning and maintaining the dining area. As a cook, Ms. Sanchez’s job duties included, without limitation, cooking food, re-stocking ingredients, and cleaning and maintaining the kitchen. As a PIC, Ms. Sanchez’s job duties included, without limitation, the duties of the server, waitress, and/or cook positions.

SUNRISE committed one or more of the following Labor Code violations against Ms. Sanchez the facts and theories of which follow, making her an “aggrieved employee” pursuant to California Labor Code section 2699(c):¹

SUNRISE’s Company-Wide and Uniform Payroll and HR Practices

SUNRISE RESTAURANTS, LLC is a Nebraska limited liability company, W.K.S. RESTAURANT CORPORATION is a California corporation, and W.K.S. SUNRISE HOLDINGS, LLC is a Delaware limited liability company. Together, they operate Denny’s restaurant franchise locations throughout Southern California and other states. SUNRISE operates approximately nine (9) Denny’s restaurant locations in California. Upon information and belief, SUNRISE maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Cypress, California, for all non-exempt, hourly paid employees working for SUNRISE in California, including Ms. Sanchez and other aggrieved employees. At all relevant times, SUNRISE issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Ms. Sanchez and other aggrieved employees, regardless of its location or position.

Upon information and belief, SUNRISE maintains a centralized Payroll department at its corporate headquarters in Cypress, California, which processes payroll for all non-exempt, hourly paid employees working for SUNRISE in California, including Ms. Sanchez and other aggrieved employees. Further, SUNRISE issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees working in California, including Ms. Sanchez and other aggrieved employees, irrespective of their location, position, or manner in which each employee’s employment ended. In other words, SUNRISE utilized the same methods and formulas when calculating wages due to Ms. Sanchez and other aggrieved employees in California.

¹ These facts, theories, and claims are based on Ms. Sanchez’s experience and counsel’s review of those records currently available relating to Ms. Sanchez’s employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law’s requirements, the employer misinformed its employee of the law’s requirements, or because the employer effectively hid the violations). Thus, Ms. Sanchez reserves the right to supplement this letter with additional facts, theories, and claims if she becomes aware of them subsequent to the submission of this letter.

Violation of California Labor Code §§ 216, 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. In addition, Labor Code section 216 states that any person is guilty of a misdemeanor if the person “willfully refuses to pay wages due and payable after demand has been made” or “[f]alsely denies the amount or validity thereof, or that the same is due, with intent to secure for himself, his employer or other person, any discount upon such indebtedness, or with intent to annoy, harass, oppress, hinder, delay, or defraud, the person to whom such indebtedness is due.” The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

SUNRISE willfully failed to pay all overtime wages owed to Ms. Sanchez and other aggrieved employees. During the relevant time period, Ms. Sanchez and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, during the relevant period, SUNRISE had, and continues to have, a company-wide policy of discouraging and impeding Ms. Sanchez and other aggrieved employees from recording hours worked that were outside of their scheduled shifts in order to limit the amount of overtime employees could accrue. As stated in SUNRISE’s Team Member Handbook, “all overtime must be pre-approved by the [] manager before it is worked” or otherwise team members “may be subject to disciplinary action.” This policy of limiting overtime, coupled with SUNRISE’s use of labor budgets and assignment of heavy workloads (*see infra*), led Ms. Sanchez and other aggrieved employees to work off-the-clock before their scheduled shift times. For example, Ms. Sanchez was often required to travel to grocery stores and/or to other SUNRISE locations to pick up supplies and ingredients on her way to work, prior to clocking in for the start of her shift. Moreover, Ms. Sanchez spent 15-35 minutes traveling to other SUNRISE locations in Claremont and Corona to cover shifts when those locations were understaffed, but was not compensated for this travel time. As a further example, when Ms. Sanchez arrived early for her shifts, SUNRISE’s management often required her to start working immediately, for up to an hour, before she was able to clock in because the restaurant was busy. Additionally, SUNRISE’s managers often called Ms. Sanchez on her personal cellular phone before the start of her shifts, asking her to find coverage for employees who were out. Thus, SUNRISE failed to track all of the time that employees spent performing work-related tasks prior to clocking in for the start of their shifts, and Ms. Sanchez and other aggrieved employees received no compensation for this time.

Second, SUNRISE’s company-wide policy of limiting overtime also forced Ms. Sanchez and other aggrieved employees to work after clocking out at the end of their scheduled shifts and/or on their days off. For example, management often pressured Ms. Sanchez to continue working after she had clocked out by cashing customers out, helping the kitchen staff, and seating customers. She was told she could not stay clocked in because overtime hours were limited by the labor budget. As a further example, Ms. Sanchez’s managers would call her on her personal cellular phone on her off-days to discuss work-related matters, such as what occurred at the restaurant during her shift and/or to pressure her to work more shifts. This off-the-clock work could have been recorded by SUNRISE, but it refused to do so

to avoid payment of additional wages to Ms. Sanchez and other aggrieved employees. Thus, SUNRISE failed to track all of the time that employees spent performing work-related tasks after clocking out at the end of their shifts or on days off, and Ms. Sanchez and other aggrieved employees received no compensation for this time spent working.

Third, SUNRISE had, and continues to have, a company-wide policy of circumventing the payment of overtime wages to minimize labor costs. Specifically, SUNRISE implemented a timekeeping policy that resets the work day approximately around 7:00 a.m. and therefore treats shifts extending into the following “day” as two separate shifts. This policy had the effect of reducing the amount of overtime that would need to be paid to other aggrieved employees when they worked overnight or early morning shifts. For example, when other aggrieved employees worked shifts longer than eight (8) hours that extended past 7:00 a.m., they were not paid overtime or double-time premiums for all of the hours they worked in excess of eight (8) hours in a day and/or in excess of twelve (12) hours in a day.

Further, as part of this practice of circumventing payment of overtime wages to employees, SUNRISE utilized a uniform timekeeping system that automatically clocked-out and locked out employees during two “reboots” at 4:00 a.m. and at 7:00 a.m. each day. Indeed, when resetting, SUNRISE’s timekeeping system locked the point-of-sale (“POS”) machines that Ms. Sanchez and other aggrieved employees used to clock in and clock out, so that they were forced to clock out and continue working while off-the-clock before being able to log back into the POS system to clock in once the reset had been completed. For example, when Ms. Sanchez was scheduled to work an overnight shift, she was automatically clocked out at 4:00 a.m. for a period of at least 20-25 minutes and was forced to continue working before being able log back into the POS system to clock in, after the reset had been completed, time for which she was not paid. Often, as stated above, these resets made some shifts appear to be split over two days, and limited the amount of overtime that Ms. Sanchez and other aggrieved employees would have normally received, had their shifts not been made to look like two separate shifts. Moreover, because SUNRISE’s timekeeping system was integrated with the company’s POS system, Ms. Sanchez and other aggrieved employees would often have to wait to clock in for the start of their shifts, because employees from the morning shift were using the POS system to handle customer transactions. Thus, Ms. Sanchez and other aggrieved employees performed work that was not recorded, time for which they were not paid.

Fourth, as stated, SUNRISE had, and continues to have, a company-wide policy of strictly staffing its restaurant locations based on the labor hours allocated by each location’s labor or payroll budget set by corporate. For example, Ms. Sanchez’s managers often pressured her to clock in as a server so that she would not use the hours allocated to managers and PICs, even though she had been promoted to PIC. Based on information and belief, there were approximately 155 hours allocated to managers and PICs every two weeks, and there were a certain number of hours allocated for servers and hosts as well. This practice of labor budgeting and/or limited payroll allocation, combined with the assignment of heavy workloads, has resulted in chronic understaffing and a lack of adequate meal period coverage, because there were too few employees on duty to handle the workload. Moreover, SUNRISE has a practice of failing to schedule meal periods, which further caused Ms. Sanchez and other aggrieved employees to not be relieved of their duties for compliant meal periods.

As a result of this insufficient meal period coverage, Ms. Sanchez and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period. For example, Ms. Sanchez often missed her meal periods entirely because there were an inadequate number of employees to take over her job duties while she took her meal periods. Further, because SUNRISE frowned upon employees accruing meal period penalties, SUNRISE’s

management pressured employees to clock out for meal periods to reflect compliant meal periods and/or adjusted employee time records, regardless of whether they had received a compliant meal period or not, in order to strictly limit meal penalties that would need to be paid by SUNRISE. Consequently, Ms. Sanchez and other aggrieved employees performed work during meal periods for which they were not paid.

Fifth, to prevent Ms. Sanchez and other aggrieved employees from incurring meal period penalties that SUNRISE would otherwise owe, SUNRISE's timekeeping system prevented Ms. Sanchez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Ms. Sanchez and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes had elapsed. Thus, SUNRISE's timekeeping system further prevented Ms. Sanchez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted.

SUNRISE knew or should have known that as a result of these company-wide practices and/or policies, Ms. Sanchez and other aggrieved employees were performing assigned duties off-the-clock during meal periods and before and after their shifts, and were suffered or permitted to perform work for which they were not paid. Because Ms. Sanchez and other aggrieved employees worked shifts of eight (8) hours a day or more, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Ms. Sanchez and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

Furthermore, SUNRISE did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, SUNRISE paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, SUNRISE failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, SUNRISE failed to pay all overtime wages by paying a lower overtime rate than required.

SUNRISE's failure to pay Ms. Sanchez and other aggrieved employees the balance of overtime compensation (including after demand for payment has been made), as required by California law, violates the provisions of California Labor Code sections 216, 510 and 1198. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 5-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. tit. 8, § 11050(2)(L) (defining "Hours Worked").

First, as stated, during the relevant time period, as a result of SUNRISE's policy of limiting the amount of overtime employees could accrue, SUNRISE required Ms. Sanchez and other aggrieved employees to perform work off-the-clock before and after their scheduled shift start- and end-times to complete their tasks, such as traveling to grocery stores and other SUNRISE locations to pick up supplies, driving to other SUNRISE locations to cover shifts, responding to phone calls from SUNRISE's management about work-related matters, and attending to customers. Moreover, as set forth above, SUNRISE utilized a timekeeping system that automatically clocked-out and locked out employees during overnight shifts during two "reboots" at 4:00 a.m. and 7:00 a.m., causing Ms. Sanchez and/or other aggrieved employees to work off-the-clock before they were able to log back into the system to clock in, once the reset had been completed. Furthermore, as stated, because SUNRISE's timekeeping system was integrated with the company's POS system, Ms. Sanchez and other aggrieved employees had to wait to clock in for the start of their shifts when other employees were using the POS system to handle customer transactions. SUNRISE failed to track this time Ms. Sanchez and other aggrieved employees spent working off-the-clock, and thus, Ms. Sanchez and other aggrieved employees received no compensation for this time.

Second, as set forth above, due to SUNRISE's company-wide practice of utilizing labor budgets, understaffing, assignment of heavy workloads, failure to schedule meal periods, and/or subsequent lack of meal period coverage, Ms. Sanchez and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock. Further, to limit the meal penalties that SUNRISE would otherwise owe, SUNRISE pressured Ms. Sanchez and other aggrieved employees to clock out for meal periods and/or adjusted employee time records to reflect compliant meal periods, but required them to continue working, time for which they were not paid. Also, as set forth above, SUNRISE systematically failed to pay Ms. Sanchez and other aggrieved employees for actual hours worked during unpaid meal periods, because SUNRISE's timekeeping system locked out Ms. Sanchez and other aggrieved employees for 30 minutes when they clocked out for a meal period and would not permit them to clock back in from a meal period until 30 minutes had elapsed.

Thus, SUNRISE did not pay at least minimum wages for all hours worked by Ms. Sanchez and other aggrieved employees. Also, to the extent that these off-the-clock hours did not qualify for overtime premium payment, SUNRISE did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198.

Accordingly, SUNRISE regularly failed to pay at least minimum wages to Ms. Sanchez and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 512, 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512, 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512 and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total

work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

During the relevant time period, as stated, SUNRISE had, and continues to have, a company-wide policy and/or practice of understaffing locations due to labor budgeting and/or limited payroll allocation, which, combined with the assignment of heavy workloads and failure to schedule meal periods, resulted in a lack of meal period coverage and prevented Ms. Sanchez and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled.

As a result, Ms. Sanchez and other aggrieved employees had to work through all or part of their meal periods, had their meal periods interrupted, and/or had to wait extended periods of time before taking meal periods. For example, Ms. Sanchez often missed her meal periods entirely because there were an inadequate number of employees to take over her job duties while she took her meal periods, and would have her meal periods interrupted or shortened by SUNRISE's management or other coworkers requesting she return to work. Further, because SUNRISE frowned upon employees accruing meal period penalties, SUNRISE's management pressured employees to clock out for meal periods to reflect compliant meal periods and/or adjusted employee time records, regardless of whether they had received a compliant meal period or not, in order to strictly limit meal penalties that would need to be paid by SUNRISE.

Moreover, SUNRISE did not provide Ms. Sanchez and other aggrieved employees with second 30-minute meal periods on days that they worked in excess of 10 hours in one day. For example, during the relevant time period, Ms. Sanchez worked shifts in excess of 10 hours in one day at least once per week and never took a second meal period. Ms. Sanchez and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

SUNRISE knew or should have known that as a result of its company-wide policies and/or practices, Ms. Sanchez and other aggrieved employees were not actually relieved of all duties to take timely, uninterrupted meal periods. SUNRISE further knew or should have known that it did not pay Ms. Sanchez and other aggrieved employees meal period premiums when meal periods were missed, late, shortened, and/or interrupted. As set forth above, SUNRISE's timekeeping system locked out Ms. Sanchez and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes had elapsed even when their meal periods were shortened or interrupted.

Furthermore, SUNRISE engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Ms. Sanchez and other aggrieved employees have not received premium pay for missed, interrupted, shortened, or late meal periods. Alternatively, to the extent that SUNRISE did pay other aggrieved employees premium pay for missed, late, interrupted and shortened meal periods, SUNRISE did not pay other aggrieved employees at the correct rate of pay for premiums because SUNRISE

systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, SUNRISE failed to provide all meal periods in violation of California Labor Code sections 226.7, 512, 516, and 1198. Ms. Sanchez and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198 and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, SUNRISE regularly failed to authorize and permit Ms. Sanchez and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, SUNRISE's company-wide policies and/or practices of labor budgeting and/or limited payroll allocation, understaffing, and assigning heavy workloads, resulted in a lack of rest period coverage and prevented Ms. Sanchez and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. SUNRISE also failed to schedule rest periods, which, coupled with SUNRISE's failure to provide adequate rest period coverage, further led to Ms. Sanchez and other aggrieved employees not being authorized and permitted to take rest periods.

Moreover, SUNRISE maintained a company-wide on-premises rest period policy, which mandated that Ms. Sanchez and other aggrieved employees remain on SUNRISE's premises during their rest periods. Because Ms. Sanchez and other aggrieved employees were restricted from leaving the premises during rest periods, they were denied the ability to use their rest periods freely for their own purposes, such as running personal errands or getting something to eat. Thus, SUNRISE effectively maintained control over Ms. Sanchez and other aggrieved employees during rest periods.

As a result of SUNRISE's practices and policies, Ms. Sanchez and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, Ms. Sanchez had to forego her rest periods entirely during each shift because the restaurant was busy, did not have coverage, and there was an expectation that all employees would work through their rest periods.

SUNRISE also has engaged in a company-wide practice and/or policy of not paying all rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Ms. Sanchez and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that SUNRISE did pay other aggrieved employees one (1) additional hour of premium pay for missed rest periods, SUNRISE did not pay other aggrieved employees at the correct rate of pay for premiums because SUNRISE failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, SUNRISE failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Ms. Sanchez and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Provide Recovery Periods

California Labor Code sections 226.7, 516, 1198 and the applicable IWC Wage Order require employers to provide recovery periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest or recovery period is not provided. California Labor Code section 226.7(a) defines "recovery period" to mean a cooldown period afforded an employee to prevent heat illness. California Labor Code section 226.7 provides that no employer shall require an employee to work during any recovery period mandated by an applicable order of the California IWC, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

During the relevant time period, SUNRISE violated California Labor Code section 226.7, because SUNRISE failed to provide Ms. Sanchez and/or other aggrieved employees with recovery periods.

SUNRISE also has engaged in a company-wide practice and/or policy of not paying all recovery period premiums owed when compliant recovery periods are not provided. Because of this practice and/or policy, Ms. Sanchez and/or other aggrieved employees have not received premium pay for missed recovery periods.

Accordingly, SUNRISE failed to provide all recovery periods in violation of California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order. Ms. Sanchez and/or other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. SUNRISE has not provided Ms. Sanchez and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50 for the

initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, SUNRISE has knowingly and intentionally provided Ms. Sanchez and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, SUNRISE issued uniform wage statements to Ms. Sanchez and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages; meal, rest, and recovery period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, SUNRISE violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because SUNRISE did not record the time Ms. Sanchez and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), SUNRISE did not list the correct amount of gross wages and net wages earned by Ms. Sanchez and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, SUNRISE failed to accurately list the total number of hours worked by Ms. Sanchez and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

In addition, because SUNRISE did not calculate other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages, meal, rest, and recovery period premiums; and/or paid sick leave, SUNRISE did not list the correct amount of gross wages earned by other aggrieved employees in compliance with section 226(a)(1) and did not list the correct amount of net wages earned by other aggrieved employees in violation of section 226(a)(5). SUNRISE also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct rates of pay for overtime wages; meal, rest, and recovery period premiums; and/or paid sick leave in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which aggrieved employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating the hours they worked off-the-clock.

California Labor Code section 1174(d) provides that “[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. . . .” Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by

section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), SUNRISE willfully failed to maintain accurate payroll records for Ms. Sanchez and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, SUNRISE failed, on a company-wide basis, to keep accurate records of work period and meal period start and stop times for Ms. Sanchez and other aggrieved employees, in violation of section 1198. As stated, SUNRISE engaged in a company-wide practice and/or policy of falsifying Ms. Sanchez’s and other aggrieved employees’ time records by recording that compliant meal periods were taken regardless of if or when meal periods were actually taken, and thereby failed to keep accurate records of meal start and end times for Ms. Sanchez and other aggrieved employees. Furthermore, in light of SUNRISE’s failure to provide Ms. Sanchez and other aggrieved employees with second 30-minute meal periods to which they were entitled, SUNRISE kept no records of meal start and end times for second meal periods.

Because SUNRISE failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Ms. Sanchez and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Ms. Sanchez and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 204 and 210 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, SUNRISE failed to pay Ms. Sanchez and other aggrieved employees all wages due to them, including, but not limited to, overtime wages; minimum wages; meal, rest, and

recovery period premiums; sick leave pay; and/or reporting time pay, within any time period specified by California Labor Code section 204.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 201, 202, and 203 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Labor Code section 203 further provides that if “an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.”

SUNRISE willfully failed to timely pay Ms. Sanchez and other aggrieved employees who are no longer employed by SUNRISE all their earned wages, including, but not limited to, overtime wages; minimum wages; meal, rest, and recovery period premiums; sick leave pay; and/or reporting time pay, either at the time of discharge, or within seventy-two (72) hours of their leaving SUNRISE's employ.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 203, 256 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 216 – Willful Refusal to Pay Wages

Labor Code section 216 states that any person is guilty of a misdemeanor if the person “willfully refuses to pay wages due and payable after demand has been made” or “[f]alsely denies the amount or validity thereof, or that the same is due, with intent to secure for himself, his employer or other person, any discount upon such indebtedness, or with intent to annoy, harass, oppress, hinder, delay, or defraud, the person to whom such indebtedness is due.”

During the relevant time period, SUNRISE willfully and systematically refused to pay all wages due (including after demand for payment has been made) to Ms. Sanchez and/or other aggrieved employees pursuant to its policies and/or practices of requiring employees to work off-the-clock. In doing so, SUNRISE acted with the intent to deprive Ms. Sanchez and/or other aggrieved employees all wages to which they were entitled to under California law.

SUNRISE's willful failure to pay Ms. Sanchez and/or other aggrieved employees all wages due and payable after demand has been made is a violation of California Labor Code section 216. Ms. Sanchez and/or other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 225.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 246 – Failure to Provide Paid Sick Leave and Written Notice of Paid Sick Leave

At all relevant times herein, California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249 provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. Pursuant to California Labor Code section 246(b)(4), employers must provide no less than 24 hours or three (3) days of paid sick leave (or equivalent paid leave or paid time off) in each year of the employee's employment. Labor Code section 246(i) provides that an employer must provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off that an employer provides in lieu of sick leave, for use on either the employee's itemized wage statement or in a separate written statement provided on the designated pay date with the employee's wages. Further, Labor Code section 246(l) provides that an employer shall calculate paid sick leave by using one of two calculations: 1) "[p]aid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek[;]" or 2) "[p]aid sick time for nonexempt employees shall be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment."

During the relevant time period, SUNRISE did not pay other aggrieved employees the correct sick leave rates of pay. As stated, in addition to an hourly wage, SUNRISE paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, SUNRISE failed to incorporate all remunerations, including incentive pay and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the sick leave rate. Therefore, during times when other aggrieved employees took sick leave and received these other forms of pay, SUNRISE failed to pay all sick leave benefits by paying a lower sick leave rate than required. Specifically, SUNRISE paid other aggrieved employees sick leave based on their hourly rate of pay instead of their regular rate of pay. SUNRISE's failure to properly calculate the sick leave rates of pay based on all remuneration paid has resulted in an underpayment of sick leave benefits to other aggrieved employees on a company-wide basis, in violation of Labor Code section 246(l).

Additionally, SUNRISE failed to provide Ms. Sanchez and/or other aggrieved employees paid sick leave of one hour of paid sick leave for every 30 hours worked, by failing to account for all hours worked by Ms. Sanchez and/or other aggrieved employees, including time spent working off the clock. Ms. Sanchez and/or other aggrieved employees worked in excess of 30 days for SUNRISE in California and were therefore eligible to receive paid sick leave. However, SUNRISE failed to provide Ms. Green and/or other aggrieved employees with all sick leave benefits, in violation of section 246(b)(4).

Moreover, during the relevant time period, SUNRISE failed, on a company-wide basis, to provide Ms. Sanchez and/or other aggrieved employees with written notice on all wage statements that listed the amount of paid sick leave used by them. SUNRISE's systematic failure to provide written notice of paid sick leave benefits to Ms. Sanchez and/or other aggrieved employees is in violation of Labor Code section 246(i).

Ms. Sanchez and/or other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 248.5 and/or 2699(a), (f)-(g).

Violation of Labor Code § 351 – Unlawful Tipping Policy

California Labor Code section 351 provides that no employer shall collect, take, or receive any gratuity that is paid, given to, or left for an employee by a patron. Gratuity is deemed to be the sole property of the employee or employees to whom they are paid, given, or left for. California law permits employer-mandated tip pooling so long as the tip pooling policy is reasonable. An employer that permits patrons to pay gratuities by credit card shall pay the employees the full amount of the gratuity that the portion indicated on the credit card slip, without any deductions for any credit card payment processing fees or costs that may be charged to the employer by the credit card company. Payment of gratuities made by patrons using credit cards shall be made to the employees not later than the next regular payday following the date the patron authorized the credit card payment.

During the relevant time period, SUNRISE made unlawful withholdings and deductions, such as credit card payment processing fees or costs, from Ms. Sanchez's and other aggrieved employees' earned tips or gratuities when customers paid tips using credit cards. As a result, SUNRISE violated California Labor Code section 351.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 450 – Compelling Patronization

Labor Code section 450 provides that an employer may not "compel or coerce any employee, or applicant for employment, to patronize his or her employer, or any other person, in the purchase of anything of value." An employer violates section 450 by forcing an employee to patronize the employer's or any other person's business in the purchase of a good, service, or anything of value.

SUNRISE had a company-wide policy of only providing employees with one (1) uniform shirt per year, and requiring employees to purchase their own replacement or additional uniform shirts. Other aggrieved employees were required to pay for uniform shirts bearing the "Denny's" logo from the Denny's website if they wanted replacement or additional uniform shirts. Other aggrieved employees were forced to pay for uniform shirts, approximately \$24 each, because SUNRISE expected them to report to work in clean and presentable uniforms shirts bearing the "Denny's" logo, but did not provide its employees with a sufficient number of uniforms.

SUNRISE's conduct of compelling and/or coercing other aggrieved employees to purchase goods, services, or anything of value, is in violation of California Labor Code section 450. Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code §§ 551 and 552 – Failure to Provide One Day's Rest in Seven

California Labor Code section 551 provides that every person employed in any occupation of labor is entitled to one day's rest in seven. California Labor Code section 552 prohibits employers from requiring employees to work more than six consecutive days without a day of rest. California Labor Code section 556 exempts an employer from the day-of-rest requirement when the total hours worked by an employee do not exceed 30 hours in any week or six (6) hours in any one day thereof.

During the relevant period, SUNRISE required Ms. Sanchez and other aggrieved employees to work approximately six (6) or more hours per day and seven (7) consecutive days in a workweek. For example, approximately every other week, Ms. Sanchez worked seven (7) consecutive days without being afforded the opportunity to take one day's rest. Because Ms. Sanchez and other aggrieved employees worked over thirty (30) hours per week and over six (6) hours in any one day in a workweek, they were not exempt from the day-of-rest requirement. To the extent that Ms. Sanchez and other aggrieved employees signed purported waivers of their right to a day's rest in seven, such waivers are invalid.

Thus, SUNRISE caused Ms. Sanchez and other aggrieved employees to work more than six days in seven, in violation of Labor Code sections 551 and 552. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 14(A) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that "... the standard conditions of labor fixed by the commission shall be the ... standard conditions of labor for employees. The employment of any employee ... under conditions of labor prohibited by the order is unlawful." California Code of Regulations, Title 8, section 11050(14)(A) provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats."

"The 'nature of the work' refers to an employee's tasks performed at a given location for which a right to a suitable seat is claimed, rather than a 'holistic' consideration of the entire range of an employee's duties anywhere on the jobsite during a complete shift. If the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for." *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 558 (Cal. 2016). "Whether the nature of the work reasonably permits sitting is a question to be determined objectively based on the totality of the circumstances. An employer's business judgment and the physical layout of the workplace are relevant but not dispositive factors. The inquiry focuses on the nature of the work, not an individual employee's characteristics." *Id.* The burden of proof to show suitable seating is not available is on the employer. *Id.* at 568. In other words, the employer must show that compliance is "infeasible because no suitable seating exists." *See id.*

SUNRISE's California restaurants are generally similar in their layout and design and there was, and continues to be, space behind host stands to allow for the presence and use of a seat or stool by other aggrieved employees (with reasonable or no modification to these work areas) during the performance of their work duties. SUNRISE could provide other aggrieved employees with a seat or stool at its host stands, but instead denies employees seating and forces other aggrieved employees to stand throughout the day.

Other aggrieved employees spent a substantial portion of their day behind or at these host stands. The nature of the work of an employee performing host duties at host stands can reasonably be accomplished from a seated position. However, as set forth herein, SUNRISE systematically, and on a company-wide basis, does not provide seats or stools at or near the host stands, forcing other aggrieved employees to stand throughout their work shifts.

SUNRISE violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(14)(A) because other aggrieved employees were not allowed to sit, even when it would not have interfered with the performance of their duties, nor were they provided with suitable seats. SUNRISE's management did not inform other aggrieved employees that they were allowed to sit down, provide any means for them to sit down, or mention any policy regarding sitting.

As a result of SUNRISE's company-wide policy and/or practice of prohibiting employees from sitting during their shifts and company-wide failure to provide suitable seating, other aggrieved employees were forced to stand during shifts and denied seats. SUNRISE's failure to provide suitable seating to other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order 5-2001, subdivision 14(A).

Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring SUNRISE into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 14(B) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that "... the standard conditions of labor fixed by the commission shall be the ... standard conditions of labor for employees. The employment of any employee ... under conditions of labor prohibited by the order is unlawful." California Code of Regulations, Title 8, section 11050(14)(B) provides that "[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties."

The IWC states that subdivision 14(B) applies during "lulls in operation" when an employee, while still on the job, is not then actively engaged in any duties. *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 565 (Cal. 2016), citing IWC, 1976 Wage Orders, Summary of Basic Provisions, Seats. When taken together, an employee is entitled to a seat under subdivision 14(A) if his or her actual tasks at a discrete location make seated work feasible, while working there. *Id.* However, if other job duties take the employee to a different location where he or she must perform tasks requiring standing, the employee would be entitled to a seat under subdivision 14(B) during "lulls in operation." *Id.*

SUNRISE's California restaurants are generally similar in their layout and design and there was, and continues to be, space near their work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by Ms. Sanchez and other aggrieved employees during lulls in operation. SUNRISE could have provided Ms. Sanchez and other aggrieved employees with a seat or stool in its work areas, but instead denied, and continues to deny, employees seating, forcing them to stand throughout the day.

SUNRISE did not provide Ms. Sanchez and other aggrieved employees with seats or stools in reasonable proximity to their work areas to allow them to use seats when it would not interfere with the performance of their duties for times when they were not engaged in active duties that require standing. In other words, to the extent Ms. Sanchez and other aggrieved employees engaged in duties

in which the nature of the work required standing, SUNRISE denied them the use of seats nearby during lulls in their work duties. Moreover, SUNRISE did not inform Ms. Sanchez and other aggrieved employees of their rights to a seat or stool under California law.

As a result of SUNRISE's company-wide policy and/or practice of prohibiting employees from sitting at any time, even when they were not engaged in active duties requiring standing, and company-wide failure to provide seats in reasonable proximity to their work areas, Ms. Sanchez and other aggrieved employees were forced to stand during shifts and denied seats. SUNRISE's failure to provide suitable seating to Ms. Sanchez and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order No. 5-2001, subdivision 14(B).

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring SUNRISE into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11050 Subdivision 5(A) – Failure to Pay Reporting Time Pay

California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC wage order. California Labor Code section 1198 further requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

California Code of Regulations, Title 8, section 11050(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage.” The “primary purpose of the reporting time regulation” is “to guarantee at least partial compensation for employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.” *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

During the relevant time period, SUNRISE violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A), because SUNRISE failed to pay other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the usual or scheduled day's work.

SUNRISE had a company-wide practice of sending other aggrieved employees home early from their shifts, including before they had worked at least half of their usual or scheduled shift, but would not pay other aggrieved employees for half of their usual or scheduled shift. For example, on information and belief, when scheduled to work an eight (8) hour shift, other aggrieved employees were sent home before four (4) hours had elapsed because business was slow, but were only paid for the time that they had worked. Although other aggrieved employees would report to work based on the schedule that SUNRISE provided to them, SUNRISE would send them home before they had worked at least half of their scheduled shifts without giving them reporting time pay.

Accordingly, other aggrieved employees were not properly compensated with reporting time pay in violation of California Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A).

Other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code §§ 2802 and 2804 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 5-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft." IWC Wage Order No. 5-2001 further provides that: "[w]hen uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer." In addition, Labor Code section 2804 provides that "[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State."

First, during the relevant time period, SUNRISE, on a company-wide basis, required that Ms. Sanchez and other aggrieved employees use their own personal mobile devices, including, but not limited to, cellular phones, and/or mobile data to carry out their job duties, but failed to reimburse them for the costs of their work-related mobile device expenses. For example, Ms. Sanchez and other aggrieved employees would be contacted outside of their scheduled shifts on their personal cellular phones by SUNRISE's managers and/or supervisors regarding scheduling and other work-related matters. Although SUNRISE required Ms. Sanchez and other aggrieved employees to utilize their personal mobile devices to carry out their work-related responsibilities, SUNRISE failed to reimburse them for this cost.

Second, during the relevant time period, SUNRISE, on a company-wide basis, required Ms. Sanchez and other aggrieved employees to use their own personal vehicles to carry out company business, but failed to reimburse them for all costs of travel, including mileage. For example, Ms. Sanchez was required to run company errands and drive to cover shifts at other SUNRISE Denny's restaurant locations. During the relevant time period, Ms. Sanchez was required to use her personal vehicle and drive up to 20 miles to pick up supplies from grocery stores and other SUNRISE locations on her way to work. Additionally, approximately twice per month, Ms. Sanchez was required to use her personal vehicle to drive 22 miles to work at SUNRISE's restaurant in Corona when they were short-staffed. Although SUNRISE required Ms. Sanchez and other aggrieved employees to utilize their personal vehicles to carry out their work-related responsibilities, SUNRISE failed to reimburse them for their mileage or travel expenses.

Third, during the relevant time period, SUNRISE required Ms. Sanchez and other aggrieved employees to purchase their own safety and security supplies and equipment necessary for the performance of

their duties, but failed to reimburse them for their out-of-pocket costs. For example, Ms. Sanchez spent about \$10 per year on server books in order to take down customer orders, because SUNRISE failed to provide her with the necessary supplies and/or equipment which were required for the restaurant to operate properly and/or meet management's expectations. Although SUNRISE required Ms. Sanchez and other aggrieved employees purchase supplies and equipment to carry out their work-related responsibilities, SUNRISE failed to reimburse them for their out-of-pocket costs.

Fourth, during the relevant time period, SUNRISE expected Ms. Sanchez and other aggrieved employees to "dress for success," requiring all employees to project a professional image, "wear proper attire at all times," and adhere to grooming and cleanliness standards. Defendants' written dress code policy further states that "Employees are fully responsible for the cleanliness of their uniform." Ms. Sanchez and other aggrieved employees were thus required to report to work wearing clean uniforms bearing the Denny's company logo, including uniform shirts, aprons, head covers, and/or hats. However, SUNRISE did not provide its employees with sufficient uniforms to wear for their shifts throughout the week. For example, SUNRISE only provided Ms. Sanchez and other aggrieved employees with one (1) uniform shirt per year. Because SUNRISE failed to provide Ms. Sanchez and other aggrieved employees with an adequate number of uniform shirts in relation to their scheduled shifts and for the tasks they were required to perform, Ms. Sanchez and other aggrieved employees had to wash their uniforms more frequently than they otherwise do laundry, and incur expenses in doing so. For example, due to the nature of restaurant work, Ms. Sanchez's and other aggrieved employees' uniform items would become stained with grease, sweaty, soiled, and/or acquire an unpleasant odor such that they were unable to mix these clothes in with other laundry. As a result, they had to wash their uniform items separately from their regular clothing, thus incurring additional laundry expenses for the upkeep of their uniforms. Thus, SUNRISE failed to maintain uniforms they required Ms. Sanchez and other aggrieved employees to wear during their shifts and forced them to incur the cost of maintaining employee uniforms.

Fifth, as stated above, SUNRISE provided an insufficient number of uniform shirts to employees, and had a company-wide policy of requiring other aggrieved employees to purchase replacement or additional uniform shirts. Other aggrieved employees were required to purchase uniform shirts bearing the Denny's logo for approximately \$24 each. Thus, SUNRISE failed to reimburse other aggrieved employees for all of the costs of obtaining replacement or additional uniform shirts.

SUNRISE could have provided Ms. Sanchez and/or other aggrieved employees with the actual tools for use on the job, such as company mobile devices, company vehicles, and supplies and equipment, as well as an adequate number of uniform items and access to laundering services. Or, SUNRISE could have reimbursed employees for the costs of their mobile device usage, travel, mileage, supplies and equipment, uniform shirts, and laundering expenses or provided a uniform maintenance allowance. Instead, SUNRISE passed these operating costs onto Ms. Sanchez and/or other aggrieved employees. At all relevant times, Ms. Sanchez did not earn at least two (2) times the minimum wage.

Thus, SUNRISE had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. SUNRISE also violated Labor Code section 2804 by requiring Ms. Sanchez and other aggrieved employees to waive the benefits provided under Labor Code sections 2800 through 2810.8. Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Effective January 1, 2015, an employer's written notice pursuant to section 2810.5 must also include a statement that the employee may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.

At all relevant times, on information and belief, SUNRISE failed, on a company-wide basis, to provide written notice to Ms. Sanchez and other aggrieved employees that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). SUNRISE's failure to provide Ms. Sanchez and other aggrieved employees with written notice of basic information regarding their employment with SUNRISE is in violation of Labor Code section 2810.5.

Ms. Sanchez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

California Labor Code § 558(a)

California Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid. . . . (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid. . . ." Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." SUNRISE, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Ms. Sanchez's and other aggrieved employees' rights by violating various sections of the California Labor Code.

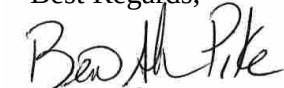
Accordingly, Ms. Sanchez seeks the remedies set forth in Labor Code section 558 for herself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, Ms. Sanchez, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for herself, all other aggrieved employees, and the State of California against SUNRISE for violations of California Labor Code sections 201, 202, 203, 204, 210, 216, 225.5, 226, 226(a), 226.3, 226.7, 245.5 *et seq.*, 351, 450, 510, 512, 512, 516, 551, 552, 558, 1174(d), 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 2804, and 2810.5, as well as all applicable California Wage Orders, including IWC Wage Order No. 5-2001.

Therefore, on behalf of all aggrieved employees, Ms. Sanchez seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Bevin Pike
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
(310) 556-4811

Best Regards,



Bevin Pike

Copy: SUNRISE RESTAURANTS, LLC (via U.S. Certified Mail); W.K.S. RESTAURANT CORPORATION (via U.S. Certified Mail); W.K.S. SUNRISE HOLDINGS, LLC (via U.S. Certified Mail); Peter Hering, Esq. (via electronic mail - phering@rutan.com); Jonas Trevethan, Esq. (via electronic mail - jtrevethan@rutan.com)

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



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SUNRISE
RESTAURANTS, LLC
5856 CORPORATE
AVENUE, STE 200
CYPRESS, CA 90630

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5856 CORPORATE
AVENUE, STE 200
CYPRESS, CA 90630

PS Form 3800, April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

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RESTAURANTS, LLC
5856 CORPORATE
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CYPRESS, CA 90630

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RESTAURANTS, LLC
5856 CORPORATE
AVENUE, STE 200
CYPRESS, CA 90630



9590 9402 7706 2122 1528 45
2. Article Number (Transfer from service label)

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PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee
Received by (Printed Name) C. Date of Delivery

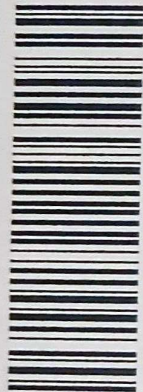
Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail[®]
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery

481 Restricted Delivery

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Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



7022 2410 0000 2265 1318

W.K.S. SUNRISE
HOLDINGS, LLC
5856 CORPORATE
AVENUE, STE 200
CYPRESS, CA 90630

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HOLDINGS, LLC
5856 CORPORATE
AVENUE, STE 200
CYPRESS, CA 90630



9590 9402 7706 2122 1528 52

2 Article Number (transfer from service label)

7022 2410 0000 2265 1318

PS Form 3811, July 2020 PSN 7530-02-000-9053

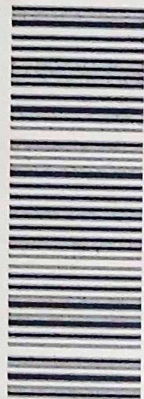
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- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

- Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery
- Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

Capstone Law, APC
1875 Century Park, East, 1000
Los Angeles, CA. 90067



7022 2410 0000 2265 1332

W.K.S. RESTAURANT
CORPORATION
5856 CORPORATE
AVENUE, SUITE 200
CYPRESS, CA 90630

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W.K.S. RESTAURANT
CORPORATION
5856 CORPORATE
AVENUE, SUITE 200
CYPRESS, CA 90630



9590 9402 7706 2122 1528 07

2. Article Number (Transfer from service label)

7022 2410 0000 2265 1332

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
☒ Addressee

1. Received by (Printed Name) C. Date of Delivery

2. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Restricted Delivery

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

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**W.K.S. SUNRISE
HOLDINGS, LLC
5856 CORPORATE
AVENUE, STE 200
CYPRESS, CA 90630**



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2. Article Number (Transfer from service label)

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A. Signature

x Carla Goodman

☐ Agent

☐ Addressee

B. Received by (Printed Name)

CARLA GOODMAN

C. Date of Delivery

1-16-25

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Mail Restricted Delivery

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**W.K.S. RESTAURANT
CORPORATION
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9590 9402 7706 2122 1528 07

2. Article Number (Transfer from service label)

7022 2410 0000 2265 1332

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Carla Goodman

☐ Agent

☐ Addressee

B. Received by (Printed Name)

CARLA GOODMAN

C. Date of Delivery

1-16-25

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

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**SUNRISE
RESTAURANTS, LLC
5856 CORPORATE
AVENUE, STE 200
CYPRESS, CA 90630**



9590 9402 7706 2122 1528 45

2. Article Number (Transfer from service label)

7022 2410 0000 1244811345

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Carla Goodman*

- ☐ Agent
- ☐ Addressee

Received by (Printed Name)

CARLA GOODMAN

C. Date of Delivery

1-17-25

Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Mail Restricted Delivery